

if said vehicles are registered on or before April 15, 1941.

Has carefully compared same and finds it correctly enrolled.

MURRAY, Vice Chairman.

SENT TO THE GOVERNOR

March 28, 1941

House Bill No. 374.

House Concurrent Resolution No. 82.

March 31, 1941

House Concurrent Resolution No. 83.

House Bill No. 731.

#### FORTY-SIXTH DAY

(Tuesday, April 1, 1941)

The House met at 10:00 o'clock a. m., pursuant to adjournment, and was called to order by Speaker Leonard.

The roll of the House was called, and the following Members were present:

Mr. Speaker	Coker
Allen	Colson, Mrs.
Allison	Connelly
Alsup	Craig
Anderson	Crossley
Avant	Crosthwait
Bailey	Daniel
Baker	Davis
Bean	Deen
Bell	Dickson of Bexar
Benton	Dickson of Nolan
Blankenship	Donald
Boone	Dove
Brawner	Duckett
Bray	Dwyer
Bridgers	Ellis
Brown	Eubank
Bruhl	Evans
Bullock	Favors
Bundy	Ferguson
Burkett	Files
Burnaman	Fitzgerald
Carlton	Fuchs
Carrington	Gandy
Cato	Garland
Celaya	Gilmer
Chambers	Goodman
Clark	Halsey
Cleveland	Hanna

Hardeman	Martin
Hargis	Matthews
Harris of Dallas	Montgomery
Harris of Hill	Moore
Hartzog	Morgan
Heflin	Morris
Helpinstill	Morse
Henderson	Murray
Hileman	Nicholson
Hobbs	Pace
Howard	Parker
Howington	Pevehouse
Hoyo	Phillips
Huddleston	Price
Huffman	Rampy
Hughes	Reed of Bowie
Humphrey	Reed of Dallas
Hutchinson	Ridgeway
Isaacks	Rhodes
Jones	Roark
Kelly	Roberts
Kennedy	Sallas
Kersey	Senterfitt
Kinard	Sharpe
King	Shell
Klingeman	Simpson
Knight	Skiles
Lansberry	Smith of Bastrop
Lehman	Smith of Atascosa
Leyendecker	Spacek
Little	Spangler
Lock	Stanford
Love	Stinson
Lowry	Stubbs
Lucas	Taylor
Lyle	Thornton
McAlister	Vale
McCann	Voigt
McDonald	Walters
McGlasson	Wattner
McLellan	Weatherford
McMurry	White
McNamara	Whitesides
Manford	Winfree
Markle	

Absent—Excused

Manning	Turner
Mills	

A quorum was announced present.

Prayer was offered by Rev. George W. Coltrin, Chaplain, as follows:

“Almighty God, as we see the condition of nations that have forgotten Thee and Thy will, help us to know that state, national, and individual peace and happiness are heaven-born. Thou seest us always; and in our weighty tasks of the day and week wilt Thou especially qualify

us, and may Thy presence go with us. For Christ's sake. Amen."

#### LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence on account of important business:

Mr. Mills for today on motion of Mr. Burkett.

Mr. Turner for today on motion of Mr. Lehman.

The following Member was granted leave of absence on account of illness:

Mr. Manning for today on motion of Mr. Alsup.

#### TRIBUTE TO THE HONORABLE CLAUDE HUDSPETH

On motion of Mr. Hardeman, the following was ordered printed in the Journal:

"The Sage of the Sage Hills"

(Austin Statesman, 3-22-41)

Tom Martin Says

The cattle are lowing, the whip-poor-wills are calling, the sheep are blating, the doves are mourning, old Shep is heartbroken and Old Paint's soul is foundered. In fact, whole sections, yes, counties, and states are sad. From Medina and Bandera up the Guadalupe on out the Pacos, from Comstock to San Angelo, from El Paso to Austin, all along the trail the old drivers are shedding tears . . . because the Reaper has moved the previous question on the 'Cowboy Senator.' Claude Hudspeth has gone away.

He introduced me to Champ Clark. He stood among the big wigs and was the master of the situation. I looked upon him with admiration that was effervescent. He was in every sense of the word a cowboy that cowboys cowboyed after. A gentleman, a friend, a man with a soul and a heart as big as the broad brimmed hat he wore. Some people achieve bigness. Not so with Claude Hudspeth. He was born big. He loved the West. It was his soul. When he went to Congress he formed the close friendship of Uncle Joe Cannon and Champ Clark. He ran with the "big-guns" and he loved the "small uns." I never felt so

helpless as I do this moment. How can anyone take a column and write all about Claude, 64 years old, born in Medina, Bandera County? Went West, became J. P. Member of the House in '03, on to the Senate in '07 and in '18 was elected to Congress. Quit on account of ill health.

To me the biggest thing in Claude Hudspeth's life was the woman he married. Mary Hudspeth is one of the finest women it was ever my pleasure to know. They reared two fine children, Claude, Jr., and Elizabeth. Both married. She was his inspiration in life.

The boys in A. J.'s Johnson City barber shop mourn his loss. He's gone over the Big Divide and won't ever ride Old Paint any more.

#### HOUSE BILLS ON FIRST READING

The following House Bills, introduced today, were laid before the House, read severally first time, and referred to the appropriate committees, as follows:

By Mr. Lyle:

H. B. No. 837, A bill to be entitled "An Act regulating the taking of fish in Lake Corpus Christi; providing a closed season; limiting the number of fish that may be taken or possessed in one day; providing a penalty for violation of this Act; repealing conflicting laws; and declaring an emergency."

Referred to the Committee on Game and Fisheries.

By Mr. Lyle:

H. B. No. 838, A bill to be entitled "An Act providing for the establishment, erection, equipping, operation, and maintenance of hospitals by certain counties and cities, for the levying of a direct tax therefor, and for the issuance and payment of bonds for such purposes; further providing for the leasing of such hospital and declaring an emergency."

Referred to the Committee on Counties.

By Mr. Lyle:

H. B. No. 839, A bill to be entitled "An Act making it unlawful to kill or attempt to kill deer, or wild quail

or trap or molest same in Duval County for a period of five years; providing a penalty; repealing all conflicting laws and declaring an emergency."

Referred to the Committee on Game and Fisheries.

Mr. Lyle asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 840.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Lyle:

H. B. No. 840, A bill to be entitled "An Act providing for the establishment, erection, equipping, operation and maintenance of hospitals by certain counties and cities, for the levying of a direct tax therefor, and for the issuance and payment of bonds for such purposes; further providing for the leasing of such hospital and declaring an emergency."

Referred to the Committee on Counties.

Mr. Lansberry asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 841.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Lansberry:

H. B. No. 841, A bill to be entitled "An Act to provide that in all counties in this State where the precinct officers are compensated on a fee basis, the Commissioners' Court shall allow such officers compensation for ex-officio services in a sum of not less than Thirty (\$30.00) Dollars per month and not more than One Hundred (\$100.00) Dollars per month in addition to the fees received by such precinct officers, the total compensation to such officers not to exceed the maximum provided by law; and declaring an emergency."

Referred to the Committee on Counties.

Mr. Davis asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 842.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Davis and Mr. McLellan:

H. B. No. 842, A bill to be entitled "An Act providing that effective September 1, 1941, any balance of moneys now carried by the Comptroller in Statutory Special Funds, and/or in the State Highway Fund shall be transferred into the General Revenue Fund; providing that from and after September 1, 1941, all moneys hitherto carried by the Comptroller in the above named funds shall be deposited to the credit of the General Revenue Fund, and that expenditures of State divisions, commissions, and departments hitherto paid from such funds shall, from and after September 1, 1941, be restricted to specific appropriations as made by the Legislature from the General Revenue Fund; repealing all laws or parts of laws in conflict with the provisions of this Act; and declaring an emergency."

Referred to the Committee on State Affairs.

Mr. Shell asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 843.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Shell:

H. B. No. 843, A bill to be entitled "An Act declaring all of the area inundated by the waters of Lake Corpus Christi to be a wild-life sanctuary; prohibiting the carrying of firearms thereon; providing a penalty for violation of this Act; repealing conflicting laws; and declaring an emergency."

Referred to the Committee on Game and Fisheries.

Mr. McAlister asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 844.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. McAlister:

H. B. No. 844, A bill to be entitled "An Act to amend Article 1299, Revised Civil Statutes of 1925, so as no longer to require a married woman to acknowledge a conveyance privily and apart from her husband, and to amend Article 1300, Revised Civil Statutes of 1925, so as to no longer require the separate acknowledgment of a married woman to the conveyance of the homestead, and to repeal Article 6605, Revised Civil Statutes of 1925, and to amend Article 6608 by prescribing the form of certificate of acknowledgment for a married woman."

Referred to the Committee on Judiciary and Uniform State Laws.

Mr. Stinson asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 845.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Stinson, Mr. Crosthwait, Mr. Bullock, Mr. Hoyo, Mr. Winfree, Mr. Sallas, Mr. Hanna, Mr. Reed of Dallas, Mr. Morse and Mr. Howard:

H. B. No. 845, A bill to be entitled "An Act to amend Article 2465, Revised Civil Statutes of 1925, as amended by Acts of the Forty-first Legislature, Regular Session, 1929, Chapter 17, page 46, Section 1, as amended by Acts of the Forty-first Legislature, Second Called Session, page 168, Chapter 85, Section 1, providing for books and records to be kept by credit unions, for supervision and examination of credit unions by some competent person or

persons designated by the State Banking Commissioner, by one or more credit union examiners appointed by the Banking Commissioner, or by certain employees of the Banking Department; and providing for salaries and expense accounts for such person or persons; fixing maximum fees to be charged for such services and a method for handling such moneys collected from the credit unions; and declaring an emergency."

Referred to the Committee on Banks and Banking.

Mr. Stanford asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 846.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Stanford:

H. B. No. 846, A bill to be entitled "An Act to amend Chapter 2 of Title 116 of the Revised Civil Statutes of Texas, 1925, as amended by Acts of the 44th Legislature, Regular Session, Special Laws, page 1196, Chapter 33, Section 1, by adding to said chapter a new article to be known as 'Article 6711-b,' providing that upon application of ten (10) or more citizens or freeholders of the County of Burnet or one person living within an enclosure of five hundred (500) acres or more in said county, the Commissioners Court of said county shall open a road through said enclosure of land, or between different persons or owners of land, or along any section line, or along any survey line, or along any survey subdivision line, where said land is adjacent or contiguous to public rivers, lakes or bays in the County of Burnet; providing for notice and hearing on said application; providing that the Commissioners Court shall not be required to keep such roads worked; providing for damages to land owners where roads are opened; providing that this Act shall only apply where there is a space of at least five (5) miles along any navigable river, lake or bay with no present road or public thorough-

fare; providing for laying out of rights of way of the width of sixty (60) feet running parallel to the out bank of any navigable stream in these aforementioned counties; declaring a public necessity for certain roads provided for herein; defining navigable streams and public lakes; providing that the provisions of this Act shall be applicable to the County of Burnet only; and declaring an emergency."

Referred to the Committee on Counties.

#### RELATIVE TO STATE DEPARTMENT OF LABOR

Mr. Boone offered the following resolution:

H. S. R. No. 173, Relative to State Labor Department.

Whereas, The House takes cognizance of the existence of rumors concerning the Labor Department of the State; and

Whereas, The truth or falsity of these rumors should be ascertained before the adjournment of this Legislature;

Now, therefore, be it resolved, That a committee composed of five Members be appointed by the Speaker of the House, and such committee be empowered to investigate the Labor Department, its personnel and operation in all of its phases; and

Be it further resolved, That such committee have all necessary power and authority to attain the purpose for which it is created.

The resolution was read second time and was adopted.

#### TO GRANT PERMISSION TO SUE THE STATE

Mr. Lowry offered the following resolution:

H. C. R. No. 84, To Grant James I. Morgan permission to Sue the State.

Whereas, On or about the eleventh (11th) day of September, A. D., 1940, Mr. James ("Jim") I. Morgan, at or near the premises of the Texas State Agricultural Experimental Station at Amelia, Jefferson County, Texas, was struck in the face by a mixture of lime and water by the sudden disconnection of a defective

pump and hose being operated at said Experimental Station for the purpose of spraying this mixture on a building at or near such station, said pump and hose being then and there lawfully and properly operated with due care by James ("Jim") I. Morgan and a helper, while actually engaged in the performance of the duties of their employment; and

Whereas, The said James ("Jim") I. Morgan sustained personal injuries by reason of which he thereafter suffered the complete and total loss of the vision and sight of his left eye on or about the thirteenth (13th) day of September, 1940; and

Whereas, James ("Jim") I. Morgan desires to bring suit to recover damages for the loss of the sight and vision of his left eye;

Now, therefore, be it resolved, by the House of Representatives of Texas, the Senate concurring, That the said James ("Jim") I. Morgan is hereby granted permission to bring suit in any court in Travis County, Texas, having jurisdiction of the amount in controversy, against the Texas State Experimental Stations of the Texas Agricultural and Mechanical College, at Bryan, Texas, the Director of such Experimental Stations, Dr. A. B. Connor, and the Superintendent of the Experimental Station at Amelia, Texas, Mr. R. R. H. Wyche, and/or against the State of Texas, to determine whether the injurious accident mentioned herein was due to the negligence of the Texas State Agricultural Experimental Stations of the Texas Agricultural and Mechanical College, at Bryan, Texas, the Director of such Experimental Stations, Dr. A. B. Connor, and the Superintendent of the Experimental Station at Amelia, Texas, Mr. R. R. H. Wyche, and/or the State of Texas as set out herein, to determine the amount of damages, if any, occasioned by the injury and loss of sight and vision to the left eye of James ("Jim") I. Morgan directly and approximately resulting therefrom, and to recover judgment therefor; and be it further

Resolved, That service of citation and/or all other necessary processes may be had upon the Texas State Agricultural Experimental Stations of the Texas Agricultural

and Mechanical College, at Bryan, Texas, by service upon either of its officers or members, and upon the Director of such Experimental Stations, Dr. A. B. Connor, and the Superintendent of the Experimental Station at Amelia, Texas, Mr. R. R. H. Wyche, and of the State of Texas by service upon the Attorney General; and that said suit be tried under the same rules of law, liability, and evidence, and in like manner of similar suits instituted against private corporations are tried. However, it is to be understood that the purpose of this resolution is to grant permission to said James ("Jim") I. Morgan to bring suit against the State of Texas, and no admission of liability of the State is made by this resolution and the fact as set out herein must be proved in court.

The resolution was read second time and was referred by the Speaker to the Committee on State Affairs.

#### HOUSE JOINT RESOLUTION NO. 17 ON SECOND READING

The Speaker laid before the House, on its second reading,

H. J. R. No. 17, Proposing an amendment to the Constitution of the State of Texas to provide for a State Land Bank which shall make loans to aid citizens of Texas to purchase a farm homestead.

The resolution was read second time.

(Mr. Taylor in the Chair.)

House Joint Resolution No. 17 was then passed by the following vote:

#### Yeas—112

Allison	Carrington
Avant	Cato
Bailey	Chambers
Baker	Cleveland
Bean	Colson, Mrs.
Benton	Connelly
Boone	Craig
Brawner	Crossley
Bridgers	Daniel
Bruhl	Davis
Bullock	Deen
Burkett	Dickson of Bexar
Burnaman	Donald
Carlton	Dove

Duckett  
Eubank  
Evans  
Favors  
Ferguson  
Files  
Fitzgerald  
Fuchs  
Gandy  
Garland  
Goodman  
Halsey  
Hardeman  
Hargis  
Harris of Dallas  
Harris of Hill  
Heflin  
Helpinstill  
Henderson  
Hileman  
Hobbs  
Howington  
Huddleston  
Huffman  
Hughes  
Humphrey  
Hutchinson  
Isaacks  
Jones  
Kelly  
Kennedy  
Kersey  
Kinard  
King  
Klingeman  
Knight  
Lansberry  
Lehman  
Little  
Lock  
Love  
Lowry

Lucas  
Lyle  
McCann  
McDonald  
McGlasson  
McLellan  
McMurry  
McNamara  
Manford  
Matthews  
Montgomery  
Moore  
Morgan  
Morris  
Morse  
Pace  
Pevehouse  
Phillips  
Price  
Rampy  
Reed of Bowie  
Reed of Dallas  
Ridgeway  
Rhodes  
Roark  
Roberts  
Sallas  
Senterfitt  
Sharpe  
Shell  
Simpson  
Skiles  
Smith of Bastrop  
Spacek  
Stanford  
Thornton  
Vale  
Voigt  
Wattner  
White  
Whitesides  
Winfree

#### Nays—22

Alsup	Leyendecker
Blankenship	McAlister
Bray	Markle
Brown	Martin
Clark	Murray
Coker	Nicholson
Crosthwait	Parker
Ellis	Smith of Atascosa
Gilmer	Spangler
Hanna	Stubbs
Hartzog	Weatherford

#### Absent

Allen	Celaya
Anderson	Dickson of Nolan
Bell	Dwyer
Bundy	Howard

Hoyo  
Stinson

Walters

Absent—Excused

Manning  
Mills

Turner

Mr. Dove moved to reconsider the vote by which the resolution was passed, and to table the motion to reconsider.

The motion to table prevailed.

# HOUSE JOINT RESOLUTION NO. 21 ON SECOND READING

The Chair laid before the House, on its second reading and passage to engrossment,

H. J. R. No. 21; Proposing an amendment to the Constitution of the State of Texas providing for a Supreme Court of nine members, and for continuous session of that Court.

The resolution was read second time.

Mr. Isaacks offered the following amendment to the resolution:

Amend House Joint Resolution No. 21 by striking out all after the comma following the word "effect" in line 40, page 1, and all of lines 1, 2, 3, 4, 5 and 6 on page 2, and inserting in lieu thereof the following:

"The six Commissioners then holding under appointment as provided by the Civil Statutes shall upon taking the Constitutional oath of office, become Associate Justices of the Supreme Court, and the terms of office of those two who were appointed in 1937, or who were appointed to fill an unexpired term beginning in that year shall expire on December 31, 1942; the terms of office of those who were appointed in 1939, or who were appointed to fill an unexpired term beginning in that year shall expire December 31, 1944, and the terms of office of those two who were appointed in 1941, or who were appointed to fill an unexpired term beginning in that year shall expire December 31, 1946. Upon said Commissioners qualifying as Associate Justices of the Supreme

Court, the Commission of Appeals shall terminate.

ISAACKS,  
LITTLE,  
MORSE,  
BRIDGERS,  
REED of Dallas,  
DONALD,  
GILMER,  
MORRIS,  
BELL,  
HARRIS of Hill,  
LANSBERRY,  
MORGAN.

The amendment was adopted.

Mr. Dickson of Bexar offered the following amendment to the resolution:

Amend House Joint Resolution No. 21 by striking out all of Article V, Sec. 2 and Article V, Sec. 3 and substituting in lieu thereof a new Article V, Sec. 2 to read as follows:

Article V, Sec. 2. The Supreme Court shall consist of nine justices, any five of whom shall constitute a quorum and the concurrence of five shall be necessary to a decision of a case. No person shall be eligible to the office of justice of the Supreme Court unless he be, at the time of his election a citizen of the United States and of this State and unless he shall have attained the age of thirty (30) years, and shall have been a practicing lawyer or a judge of a court, or such lawyer and judge together, at least seven (7) years. The justices shall be elected, one from each Supreme Court district at a general election, shall hold their offices for six years, or until their successors are elected and qualified, and shall each receive an annual salary of four thousand (\$4,000) dollars until otherwise provided by law. After each general election the judges shall choose by majority vote one of their number as chief justice, and in case of a vacancy in the office of any member of the Court, the Governor shall appoint a successor for the unexpired term.

The Legislature shall, as soon as practicable after the adoption of this amendment, divide the State into nine Supreme Court districts, according to population, and thereafter the Legislature shall re-district the

State for this purpose after every Federal census. When this amendment takes effect, the Governor shall immediately appoint the six members of the Commission of Appeals as justices of the Supreme Court for terms of office, so that the terms of two of such appointed justices shall expire with the term of office of each of the present members of the Supreme Court, and upon the qualification of such new justices, the Commission of Appeals shall terminate.

The Supreme Court districts so created by the Legislature shall be numbered, and as the terms of office of the justices thereafter expire, a new justice shall be elected from each Supreme Court district, beginning with No. 1 district first, and continuing in order until all nine districts have a representative on the Court.

The judges of the Supreme Court who may be in office at the time this amendment takes effect, shall continue in office until the expiration of the term of office for which they were elected and until their successors are elected and qualified.

The amendment was adopted.

On motion of Mr. McGlasson, further consideration of House Joint Resolution No. 21 was postponed until 10:30 o'clock a. m. next Tuesday.

#### RELATIVE TO COMMITTEE ON CONSTITUTIONAL AMENDMENTS

Mr. McMurry asked unanimous consent of the House that the Committee on Constitutional Amendments be permitted to meet at this time for the purpose of taking up and considering House Joint Resolutions No's 1 and 3.

There was objection offered.

Mr. Hanna moved to suspend the Rules in order that the Committee on Constitutional Amendments might be permitted to meet at this time, and consider House Joint Resolutions No's 1 and 3.

The motion to suspend the Rules prevailed by the following vote:

#### Yeas—103

Allen	Kennedy
Allison	Kinard
Alsup	Klingeman
Bean	Lansberry
Bell	Lehman
Boone	Leyendecker
Brawner	Little
Bray	Love
Brown	Lowry
Bruhl	Lyle
Bullock	McAlister
Burkett	McCann
Carlton	McDonald
Cato	McGlasson
Clark	McMurry
Cleveland	McNamara
Coker	Manford
Colson, Mrs.	Markle
Crossley	Martin
Crosthwait	Montgomery
Davis	Moore
Dickson of Bexar	Morgan
Dickson of Nolan	Morris
Donald	Morse
Dove	Murray
Duckett	Nicholson
Eubank	Pace
Files	Parker
Fitzgerald	Pevehouse
Fuchs	Phillips
Garland	Rampy
Gilmer	Reed of Bowie
Halsey	Reed of Dallas
Hanna	Ridgeway
Hardeman	Rhodes
Hargis	Roark
Harris of Dallas	Roberts
Harris of Hill	Senterfitt
Heflin	Sharpe
Helpinstill	Shell
Henderson	Skiles
Hileman	Smith of Atascosa
Hobbs	Spacek
Howard	Spangler
Howington	Stinson
Hoyo	Thornton
Huffman	Vale
Hughes	Wattner
Humphrey	Weatherford
Hutchinson	Whitesides
Isaacks	Winfree
Jones	

#### Nays—29

Avant	Carrington
Bailey	Chambers
Baker	Connelly
Benton	Craig



Deen	McLellan
Ellis	Matthews
Evans	Price
Favors	Sallas
Ferguson	Simpson
Gandy	Smith of Bastrop
Kersey	Stanford
King	Voigt
Knight	Walters
Lock	White
Lucas	

## Absent

Anderson	Dwyer
Blankenship	Goodman
Bridgers	Hartzog
Bundy	Huddleston
Burnaman	Kelly
Celaya	Stubbs
Daniel	

## Absent—Excused

Manning	Turner
Mills	

(Speaker in the Chair.)

HOUSE JOINT RESOLUTION NO.  
23 ON SECOND READING

The Speaker laid before the House, on its second reading,

H. J. R. No. 23, Proposing an amendment to Article 3 of the Constitution of the State of Texas authorizing the lending of Two Million Dollars (\$2,000,000.00) of the Permanent School Fund for the construction of the State office building, or buildings; providing for repayment to the Permanent School Fund; providing for the submission of this Amendment to the voters of this State; and providing for the necessary proclamation and expenses of publication.

The resolution was read second time.

Mr. Gilmer offered the following committee amendment to the resolution:

Amend House Joint Resolution No. 23, by striking out all below the resolving clause and substitute in lieu thereof the following:

"Section 1. That Article 3 of the Constitution of the State of Texas be amended by adding thereto a new

section to be known as Section 49-a, which shall read as follows:

'Sec. 49-a. The Legislature may provide by law for the issuance of not more than Two Million Dollars (\$2,000,000.00) in bonds or obligations of the State of Texas to the Permanent School Fund for the construction in the City of Austin of a State office building or buildings, and the State Board of Education is hereby directed to invest not more than Two Million Dollars (\$2,000,000.00) of the Permanent School Fund therein. Such bonds shall be executed on behalf of the State of Texas by the Governor and Comptroller, and shall bear a rate of interest not to exceed two (2) per cent per annum, payable annually; they shall be of such denomination as may be prescribed by law, and shall be payable in not to exceed twenty-five (25) equal installments beginning one year from date of issuance; and the State Treasurer is hereby authorized and directed to set aside into a special fund annually at the beginning of each fiscal year until all of said bonds shall have been paid off and discharged, a sufficient amount of the first moneys coming into the Treasury for the use and benefit of the General Revenue Fund not otherwise heretofore obligated to the payment of bonds and interest, a sufficient amount to pay the interest becoming due and the bonds maturing during such fiscal year. From said Fund, the Treasurer shall pay the interest on said bonds as it comes due, to the credit of the Available School Fund; and shall pay off said bonds as they become due and deposit the amounts so paid to the credit of the Permanent School Fund. The power hereby granted to issue bonds is expressly limited to the amount stated and to five (5) years from and after the adoption of this grant by the people.'

Sec. 2. The foregoing Constitutional Amendment shall be submitted to the qualified voters of the State of Texas at an election to be held on the — day of —, 194—, at which election all voters favoring such proposed Amendment shall write or have printed on their ballots the words:

'FOR the Amendment to the Constitution of the State of Texas au-

thorizing the investment of not more than Two Million Dollars (\$2,000,000.00) of the Permanent School Fund in bonds of the State of Texas to be issued for the construction of a State office building or buildings.'

'AGAINST the Amendment to the Constitution of the State of Texas authorizing the investment of not more than Two Million Dollars (\$2,000,000.00) of the Permanent School Fund in bonds of the State of Texas to be issued for the construction of a State office building or buildings.'

Sec. 3 The Governor of the State is hereby directed to issue the necessary proclamation for said election and have the same published as required by the Constitution and existing laws of the State.

Sec. 4. The sum of Eight Thousand Dollars (\$8,000.00), or so much thereof as may be necessary, is hereby appropriated out of any funds in the Treasury of the State not otherwise appropriated to pay the expenses of said publication and election."

The amendment was adopted.

House Joint Resolution No. 23 was then passed by the following vote:

Yeas—133

Allen	Craig
Allison	Crossley
Alsup	Crothwait
Avant	Daniel
Bailey	Davis
Baker	Deen
Bean	Dickson of Bexar
Bell	Dickson of Nolan
Benton	Donald
Brawner	Dove
Bray	Duckett
Bridgers	Dwyer
Brown	Ellis
Bruhl	Eubank
Bullock	Evans
Bundy	Favors
Burkett	Ferguson
Burnaman	Files
Carlton	Fitzgerald
Carrington	Gandy
Cato	Garland
Celaya	Gilmer
Chambers	Halsey
Clark	Hanna
Cleveland	Hardeman
Coker	Hargis
Colson, Mrs.	Harris of Dallas
Connelly	Harris of Hill

Hartzog	Montgomery
Heflin	Moore
Helpinstill	Morgan
Henderson	Morris
Hileman	Morse
Hobbs	Murray
Howard	Pace
Howington	Parker
Huddleston	Pevehouse
Huffman	Phillips
Hughes	Price
Humphrey	Rampy
Hutchinson	Reed of Bowie
Isaacks	Reed of Dallas
Jones	Ridgeway
Kelly	Rhodes
Kennedy	Roark
Kersey	Roberts
King	Sallas
Klingeman	Senterfitt
Knight	Shell
Lansberry	Simpson
Lehman	Smith of Bastrop
Little	Smith of Atascosa
Lock	Spacek
Love	Spangler
Lowry	Stanford
Lucas	Stinson
McAlister	Stubbs
McCann	Thornton
McDonald	Vale
McGlasson	Voigt
McLellan	Walters
McMurry	Wattner
McNamara	Weatherford
Manford	White
Markle	Whitesides
Martin	Winfree
Matthews	

Nay—1

Nicholson

Absent

Anderson	Kinard
Blankenship	Leyendecker
Boone	Lyle
Fuchs	Sharpe
Goodman	Skiles
Hoyo	Taylor

Absent—Excused

Manning	Turner
Mills	

HOUSE JOINT RESOLUTION NO.  
24 ON SECOND READING

The Speaker laid before the House,  
on its second reading,

H. J. R. No. 24, Proposing an

amendment to Section 22 of Article V, of the Constitution of Texas by adding thereto authority for the Legislature to increase, diminish or change the probate or other jurisdiction of the County Court and to create additional courts having either exclusive jurisdiction, or concurrent jurisdiction with the County Court, in such matters.

The resolution was read second time and was passed by the following vote:

## Yeas—122

Allen	Hargis
Allison	Harris of Dallas
Alsup	Harris of Hill
Avant	Hartzog
Baker	Heflin
Benton	Helpinstill
Blankenship	Henderson
Brawner	Hileman
Bridgers	Hobbs
Brown	Howard
Bruhl	Howington
Bullock	Hoyo
Bundy	Huddleston
Burnaman	Huffman
Carrington	Hughes
Cato	Humphrey
Chambers	Hutchinson
Clark	Isaacks
Cleveland	Jones
Coker	Kelly
Colson, Mrs.	Kennedy
Connelly	Kersey
Craig	Kinard
Crosthwait	Klingeman
Davis	Knight
Dickson of Bexar	Lansberry
Dickson of Nolan	Lehman
Donald	Little
Dove	Lock
Duckett	Love
Dwyer	Lowry
Ellis	Lucas
Eubank	Lyle
Evans	McAlister
Favors	McCann
Ferguson	McDonald
Files	McGlasson
Fitzgerald	McNamara
Fuchs	Manford
Gandy	Markle
Garland	Martin
Gilmer	Matthews
Halsey	Montgomery
Hanna	Moore
Hardeman	Morgan

Morris	Sharpe
Morse	Shell
Pace	Smith of Bastrop
Parker	Smith of Atascosa
Pevehouse	Spacek
Phillips	Stanford
Price	Stinson
Rampy	Taylor
Reed of Bowie	Thornton
Reed of Dallas	Vale
Ridgeway	Walters
Rhodes	Wattner
Roark	Weatherford
Roberts	White
Sallas	Whitesides
Senterfitt	Winfree

## Nays—2

Burkett	Deen
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## Present—Not Voting

King
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## Absent

Anderson	Leyendecker
Bailey	McLellan
Bean	McMurry
Bell	Murray
Boone	Nicholson
Bray	Simpson
Carlton	Skiles
Celaya	Spangler
Crossley	Stubbs
Daniel	Voigt
Goodman	

## Absent—Excused

Manning	Turner
Mills	

Mr. Heflin moved to reconsider the vote by which the resolution was passed and to table motion to reconsider.

The motion to table prevailed.

#### RELATIVE TO SUSPENSION OF REGULAR ORDER IN THE HOUSE

Mr. Chambers asked unanimous consent of the House that next Tuesday be set aside for suspension day in the House instead of next Monday, in the event the House is not in session next Monday.

There was no objection offered and it was so ordered.

HOUSE BILL NO. 238 ON SECOND  
READING

The Speaker laid before the House, as special order for this hour, on its second reading and passage to engrossment,

H. B. No. 238, A bill to be entitled "An Act declaring the policy of the State with reference to building, maintaining and financing military roads; authorizing the payment out of the county and road district highway fund of certain bonds which have been or may be issued by counties and road districts where the proceeds of such bonds may be used in the construction of military roads; and declaring an emergency."

The bill was read second time.

Question: Shall House Bill No. 238 be passed to engrossment?

## BILL ORDERED NOT PRINTED

(By unanimous consent)

On motion of Mr. Ferguson, House Bill No. 340 was ordered not printed.

ADDITIONAL SIGNERS OF  
RESOLUTIONS

By unanimous consent of the House, the following Members were authorized to sign House Joint Resolutions as coauthors of same, as follows:

Mr. Carlton, Mr. Isaacks, Mr. Davis and Mr. Wattner: House Joint Resolution No. 3.

Mr. Dwyer, Mr. Wattner and Mr. Davis: House Joint Resolution No. 23.

Unanimous consent of the House was given for any Members so desiring to sign House Joint Resolution No. 3, as coauthors of same.

## BILLS SIGNED BY THE SPEAKER

The Speaker signed, in the presence of the House, after giving due notice thereof and their captions had been read severally, the following enrolled bills:

H. B. No. 227, "An Act, authorizing the county board of trustees in

counties having a population of not less than (5,900) Five Thousand and Nine Hundred nor more than (6,000) Six Thousand as shown by the Federal Census of 1940, to set aside a certain amount of the available school fund apportioned to such counties to defray certain expenses in the administration of the scholastic affairs of such counties; repealing all laws and parts of laws in conflict herewith; and declaring an emergency."

H. B. No. 424, "An Act to permit any county containing a population not less than Seven Thousand, One Hundred (7,100) nor more than Seven Thousand, Four Hundred Ninety-seven (7,497) according to the last preceding Federal Census to adopt by a majority vote of qualified voters of such county a county unit system to the extent provided in this Act; making provisions for the formation of a county-wide school district therein; etc., and declaring an emergency."

H. B. No. 211, "An Act amending Article 6008 of the Revised Civil Statutes of Texas, as amended by Chapter 120, Acts of the Forty-fourth Legislature, Regular Session, providing for the use of sweet and other natural gas under certain conditions for the manufacture of carbon black; and declaring an emergency."

H. B. No. 389, "An Act amending Article 5954 of the Revised Civil Statutes of 1925 relative to authority of Notaries Public and requiring them to print or stamp their name under their signature when signed in their official capacity, and declaring an emergency."

H. B. No. 154, "An Act to amend Section 24, Chapter 241, H. B. 755, Acts of the Regular Session of the 44th Legislature, by adding a new paragraph to said Section 24, to be known as Subsection (c); directing the Treasurer to promulgate rules and regulations providing for the exchange or replacement of new stamps for any stamps affixed to any package of cigarettes under certain circumstances, and declaring an emergency."

H. B. No. 77, "An Act to amend Section 8 of Chapter 282, Acts of the Regular Session, Forty-second Legislature, 1931, and declaring an emergency."

(Pending reading of bills on first reading, Mr. Bullock occupied the Chair.)

## RECESS

(Mr. Bullock in the Chair.)

On motion of Mr. Morse, the House at 12:05 o'clock p. m. took recess until 2:00 o'clock p. m. today.

## AFTERNOON SESSION

The House met at 2:00 o'clock p. m. and was called to order by the Speaker.

## LEAVES OF ABSENCE GRANTED

(By unanimous consent)

Mr. Little was granted temporary leave of absence for this afternoon on account of important business on motion of Mr. Harris of Dallas.

## HOUSE BILL NO. 444 ON SECOND READING

(By unanimous consent)

The Speaker laid before the House, on its second reading and passage to engrossment,

H. B. No. 444, A bill to be entitled "An Act to amend H. B. No. 20, Acts of the 46th Legislature, Regular Session, reciting the legislative determination and declaration of policy; describing the consequence of soil erosion and the depletion of the fertility of the soil; reciting appropriate corrective methods; defining certain words and phrases used in this Act; establishing the State Soil Conservation Board; establishing five (5) State Districts; providing the manner of election of members of the State Soil Conservation Board; etc., and declaring an emergency."

The bill was read second time and was passed to engrossment.

## HOUSE BILL NO. 444 ON THIRD READING

Mr. Chambers moved that the Constitutional Rule requiring bills to be read on three several days be suspended and that House Bill No. 444 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—122

Allen	Goodman
Allison	Hardeman
Alsup	Hargis
Avant	Harris of Dallas
Bailey	Harris of Hill
Baker	Hartzog
Bean	Heflin
Bell	Helpinstill
Benton	Henderson
Blankenship	Hileman
Boone	Hobbs
Brawner	Howard
Bray	Howington
Bridgers	Hoyo
Bullock	Huddleston
Bundy	Huffman
Burkett	Humphrey
Burnaman	Hutchinson
Carlton	Isaacks
Carrington	Jones
Cato	Kelly
Celaya	Kennedy
Chambers	Kinard
Cleveland	Klingeman
Coker	Knight
Connelly	Lehman
Crossley	Little
Crosthwait	Love
Daniel	Lowry
Davis	Lyle
Deen	McCann
Dickson of Bexar	McDonald
Dickson of Nolan	McGlasson
Donald	McMurry
Dove	McNamara
Dwyer	Manford
Ellis	Markle
Eubank	Martin
Evans	Matthews
Favors	Montgomery
Ferguson	Moore
Files	Morgan
Fitzgerald	Morris
Fuchs	Morse
Gandy	Murray
Garland	Pace
Gilmer	Parker

Pevehouse  
Phillips  
Price  
Rampy  
Reed of Bowie  
Reed of Dallas  
Ridgeway  
Rhodes  
Roark  
Roberts  
Sallas  
Senterfitt  
Sharpe  
Skiles

Smith of Bastrop  
Smith of Atascosa  
Spacek  
Stanford  
Stinson  
Taylor  
Thornton  
Vale  
Walters  
Wattner  
Weatherford  
White  
Whitesides  
Winfree

## Nays—8

Brown  
Bruhl  
Clark  
Craig

King  
Lansberry  
McAlister  
Simpson

## Absent

Anderson  
Colson, Mrs.  
Duckett  
Halsey  
Hanna  
Hughes  
Kersey  
Leyendecker

Lock  
Lucas  
McLellan  
Nicholson  
Shell  
Spangler  
Stubbs  
Voigt

## Absent—Excused

Manning  
Mills

Turner

The Speaker then laid House Bill No. 444 before the House on third reading and final passage.

The bill was read third time and was passed by the following vote:

## Yeas—126

Allen  
Allison  
Alsup  
Avant  
Bailey  
Baker  
Bean  
Bell  
Benton  
Blankenship  
Boone  
Brawner  
Bray  
Bridgers  
Bruhl  
Bullock  
Bundy

Burkett  
Burnaman  
Carlton  
Carrington  
Cato  
Celaya  
Chambers  
Cleveland  
Coker  
Connelly  
Crossley  
Crosthwait  
Daniel  
Davis  
Deen  
Dickson of Bexar  
Dickson of Nolan

Donald  
Dove  
Duckett  
Dwyer  
Ellis  
Eubank  
Evans  
Favors  
Ferguson  
Files  
Fitzgerald  
Fuchs  
Gandy  
Garland  
Gilmer  
Goodman  
Hardeman  
Hargis  
Harris of Dallas  
Hartzog  
Heflin  
Helpinstill  
Henderson  
Hileman  
Hobbs  
Howard  
Howington  
Hoyo  
Huddleston  
Huffman  
Hughes  
Humphrey  
Hutchinson  
Isaacks  
Kelly  
Kennedy  
Kersey  
Kinard  
Klingeman  
Knight  
Lansberry  
Lehman  
Little  
Lock  
Love  
Lowry

Lyle  
McCann  
McDonald  
McGlasson  
McMurry  
McNamara  
Manford  
Markle  
Martin  
Matthews  
Montgomery  
Moore  
Morgan  
Morris  
Morse  
Murray  
Pace  
Pevehouse  
Phillips  
Price  
Rampy  
Reed of Bowie  
Reed of Dallas  
Ridgeway  
Rhodes  
Roark  
Roberts  
Sallas  
Senterfitt  
Sharpe  
Skiles  
Smith of Bastrop  
Smith of Atascosa  
Spacek  
Stanford  
Stinson  
Stubbs  
Taylor  
Thornton  
Vale  
Walters  
Wattner  
Weatherford  
White  
Whitesides  
Winfree

## Nays—8

Brown  
Clark  
Craig  
Jones

King  
McAlister  
Parker  
Simpson

## Absent

Anderson  
Colson, Mrs.  
Halsey  
Hanna  
Harris of Hill  
Leyendecker

Lucas  
McLellan  
Nicholson  
Shell  
Spangler  
Voigt

## Absent—Excused

Manning                      Turner  
Mills

Mr. Fuchs moved to reconsider the vote by which the bill was passed and to table the motion to reconsider.

The motion to table prevailed.

## HOUSE BILL NO. 549 ON SECOND READING

The Speaker laid before the House, on its second reading and passage to engrossment,

H. B. No. 549, A bill to be entitled "An Act making specific appropriation out of the General Fund of the State of Texas, not otherwise appropriated, to pay a judgment obtained by W. S. Hale and wife, against the State of Texas under the authority of Senate Bill No. 197, Chapter 72, Special Laws of the Regular Session of the Forty-second Legislature, authorizing the said W. S. Hale and wife to sue the State of Texas for the recovery of damages resulting from overflow of their lands arising out of the construction of temporary dumps or roadbeds by the State through its Highway Department; directing the Comptroller of the State of Texas to issue warrant on the State Treasury in favor of W. S. Hale and wife, in the sum of the judgment rendered by the Supreme Court of Texas in the suit of W. S. Hale and wife against the State of Texas brought under the authority of Senate Bill No. 197; and declaring an emergency."

The bill was read second time.

Mr. Alsup offered the following amendments to the bill:

Amend House Bill No. 549 by striking out all of Section 1 thereof and substituting in lieu thereof the following:

"Section 1. There is hereby appropriated out of the State Highway Fund in the State Treasury, not otherwise appropriated, the following sums of money or so much thereof as may be necessary to pay the judgment obtained by W. S. Hale and wife, Mary D. Hale, against the State

of Texas the following amount: to pay W. S. Hale and wife, Mary D. Hale, on the judgment obtained by them against the State of Texas in the sum of \$13,500.00 with interest thereon at the rate of six per cent per annum from September 1, 1927, until paid, in accordance with the judgment of the Supreme Court of Texas rendered on the 22nd day of January, 1941, in Cause No. 7176 entitled The State of Texas, et al. vs. W. S. Hale, et ux."

Amend House Bill No. 549 by correcting the caption to conform to the body of the bill as amended.

The amendments were severally adopted.

House Bill No. 549 was then passed to engrossment.

## HOUSE BILL NO. 549 ON THIRD READING

Mr. Stubbs moved that the Constitutional Rule requiring bills to be read on three several days be suspended, and that House Bill No. 549 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—126

Allen	Colson, Mrs.
Allison	Connelly
Alsup	Craig
Avant	Crossley
Bailey	Crothwait
Baker	Daniel
Bell	Davis
Benton	Deen
Blankenship	Dickson of Nolan
Boone	Donald
Brawner	Dove
Bray	Duckett
Bridgers	Dwyer
Brown	Ellis
Bruhl	Eubank
Bundy	Evans
Burkett	Favors
Burnaman	Ferguson
Carlton	Files
Carrington	Fitzgerald
Cato	Fuchs
Celaya	Gandy
Clark	Garland
Cleveland	Gilmer
Coker	Goodman

Halsey	Matthews
Hardeman	Montgomery
Hargis	Moore
Harris of Dallas	Morgan
Harris of Hill	Morse
Heflin	Murray
Helpinstill	Nicholson
Henderson	Pace
Hileman	Parker
Hobbs	Pevehouse
Howard	Phillips
Howington	Price
Huddleston	Rampy
Huffman	Reed of Bowie
Hughes	Reed of Dallas
Humphrey	Ridgeway
Isaacks	Rhodes
Jones	Roark
Kelly	Roberts
Kennedy	Sallas
Kersey	Senterfitt
Knight	Simpson
Lansberry	Skiles
Lehman	Smith of Bastrop
Little	Smith of Atascosa
Lock	Spacek
Love	Stanford
Lowry	Stinson
Lyle	Stubbs
McAlister	Taylor
McCann	Thornton
McDonald	Vale
McGlasson	Walters
McMurry	Wattner
McNamara	Weatherford
Manford	White
Markle	Whitesides
Martin	Winfree

## Absent

Anderson	King
Bean	Klingeman
Bullock	Leyendecker
Chambers	Lucas
Dickson of Bexar	McLellan
Hanna	Morris
Hartzog	Sharpe
Hoyo	Shell
Hutchinson	Spangler
Kinard	Voigt

## Absent—Excused

Manning	Turner
Mills	

The Speaker then laid House Bill No. 549 before the House on third reading and final passage.

The bill was read third time and was passed by the following vote:

## Yeas—126

Allen	Hobbs
Allison	Howard
Alsup	Howington
Avant	Huddleston
Bailey	Huffman
Baker	Hughes
Bell	Humphrey
Benton	Isaacks
Blankenship	Jones
Boone	Kelly
Brawner	Kennedy
Bray	Kersey
Bridgers	Knight
Brown	Lansberry
Bruhl	Lehman
Bundy	Little
Burkett	Lock
Burnaman	Love
Carlton	Lowry
Carrington	Lyle
Cato	McAlister
Celaya	McCann
Clark	McDonald
Cleveland	McGlasson
Coker	McMurry
Colson, Mrs.	McNamara
Connelly	Manford
Craig	Markle
Crossley	Martin
Crosthwait	Matthews
Daniel	Montgomery
Davis	Moore
Deen	Morgan
Dickson of Nolan	Morse
Donald	Murray
Dove	Nicholson
Duckett	Pace
Dwyer	Parker
Ellis	Pevehouse
Eubank	Phillips
Evans	Price
Favors	Rampy
Ferguson	Reed of Bowie
Files	Reed of Dallas
Fitzgerald	Ridgeway
Fuchs	Rhodes
Gandy	Roark
Garland	Roberts
Gilmer	Sallas
Goodman	Senterfitt
Halsey	Simpson
Hardeman	Skiles
Hargis	Smith of Bastrop
Harris of Dallas	Smith of Atascosa
Harris of Hill	Spacek
Heflin	Stanford
Helpinstill	Stinson
Henderson	Stubbs
Hileman	Taylor



Thornton	Weatherford
Vale	White
Walters	Whitesides
Wattner	Winfree

**Absent**

Anderson	King
Bean	Klingeman
Bullock	Leyendecker
Chambers	Lucas
Dickson of Bexar	McLellan
Hanna	Morris
Hartzog	Sharpe
Hoyo	Shell
Hutchinson	Spangler
Kinard	Voigt

**Absent—Excused**

Manning	Turner
Mills	

Mr. Knight moved to reconsider the vote by which the bill was passed and to table the motion to reconsider.

The motion to table prevailed.

### HOUSE BILL NO. 238 ON PASSAGE TO ENGROSSMENT

The House resumed consideration of pending business same being House Bill No. 238, declaring the policy of the State with reference to building, maintaining and financing public roads, etc., on its passage to engrossment.

The bill having been read second time on this morning.

Mr. Chambers offered the following amendment to the bill:

Amend House Bill No. 238 by striking out all below the enacting clause and inserting in lieu thereof the following:

Be It Enacted by the Legislature of the State of Texas:

That Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, as heretofore amended, be amended so as to be and read as follows:

Section 1. It is expressly recognized and declared that all highways now or heretofore constituting a part of the system of State Highways which have been constructed in whole or in part from the pro-

ceeds of bonds, warrants, or other evidence of indebtedness issued by counties of the State of Texas, or by defined road districts of the State of Texas, under the laws authorizing the same, have been and are and will continue to be beneficial to the State of Texas at large, and have contributed to the general welfare, settlement and the development of the entire State, and that, by reason of the foregoing, a heavy and undue burden was placed, and still rests, upon the counties and defined road districts and their inhabitants, and both a legal and moral obligation rests upon the State to compensate and reimburse such counties and defined road districts which, as aforesaid, have performed functions resting upon the State, and have paid expenses which were and are properly State expenses, all for the use and benefit of the State.

Having heretofore, by an Act of the Legislature (Chapter 13, Acts of the Third Called Session of the Forty-second Legislature in 1932) taken over, acquired and purchased the interest and equities of the various counties and defined road districts in and to the highways constituting a part of the system of then designated State Highways, it is further declared to be the policy of the State to take over, acquire, purchase and retain, the interest and equities of the various counties and defined road districts in and to the highways not previously taken over, acquired and purchased and constituting on January 2, 1939, a part of the system of designated State Highways, and to provide for the acquisition, establishment, construction, extension and development of the system of designated State Highways of Texas, from some source of income other than the revenue derived from ad valorem taxes, it being expressly provided herein that the State is not assuming, and has not assumed, any obligation for the construction, extension and development of any of the highways thus acquired and purchased which do not constitute a part of the system of designated State Highways. And it is hereby determined that the further provisions of this Act constitute fair, just and equitable compensation, repayment and reimburse-

ment to said counties and defined districts and for their aid and assistance to the State in the construction of State Highways.

Sec. 2. By the expression "defined road districts" or "road districts" or "district" used in this Act, is meant any defined road district of the State or any Justice or Commissioner's Precinct acting as a road district or any road district located in one or more than one county.

By the expression "roads" or "road" as used in this Act, is meant roads, road beds, bridges and culverts.

By the expression "highways," "State Highways," and "State designated Highways" are meant roads which prior to January 2, 1939, had become a part of the system of designated State Highways, including roads still constituting a part of such system but whose status had been lost through change, relocation or abandonment and including roads concerning which the State Highway Commission had prior to January 2, 1939, indicated its intention to designate, evidencing such intention in the official records or files.

The term "Board" as used in this Act, when the contrary is not clearly indicated, shall mean the "Board of County and District Road Indebtedness."

The term "fund" as used in this Act, when the contrary is not clearly indicated, shall mean the "County and District Highway Fund."

The expression "eligible obligations" as used in this Act shall mean obligations, the proceeds of which were actually expended on State designated Highways.

Sec. 3. All further improvement of said State Highway System shall be made under the exclusive and direct control of the State Highway Department and with appropriations made by the Legislature out of the State Highway Fund. Surveys, plans and specifications and estimates for all further construction and improvement of said System shall be made, prepared and paid for by the State Highway Department. No further improvement of said System shall be made with the aid of or with any monies furnished by the

counties except the acquisition of rights of way which may be furnished by the counties, their subdivisions or defined road districts. But this shall in no wise affect the carrying out of any binding contracts now existing between the State Highway Department and the Commissioners Court of any county, for such county, or for any defined road district. In the development of the System of State Highways and the maintenance thereof, the State Highway Commission shall from funds available to the State Highway Department provide:

(a) For the efficient maintenance of all highways comprising the State System.

(b) For the construction in cooperation with the Federal Government to the extent of Federal Aid to the State, of highways of durable type of the greatest public necessity.

(c) For the construction of highways, perfecting and extending a correlated system of State Highways, independently from State funds.

Sec. 4. All monies now or hereafter deposited in the State Treasury to the credit of the "State Highway Fund," including all Federal Aid money deposited to the credit of said fund under the terms of the Federal Aid Highway Act, shall be subject to appropriation by the Legislature for the specific purpose of the improvement of said System of State Highways by the State Highway Department.

Sec. 5. Each month the Comptroller of Public Accounts, after computing and ascertaining the maximum amount of refunds that may be due by the State on the business of selling gasoline, as provided in Section 17, Chapter 88, General Laws, Acts of the Second Called Session of the Forty-first Legislature, as amended by Chapter 104, General Laws, Acts of the Regular Session of the Forty-second Legislature, shall deduct same from the total occupation or excise tax paid on the business of selling gasoline, as imposed by Section 17, Chapter 98, General Laws, Acts of the Regular Session of the Forty-second Legislature, as amended, and, be-

ginning with said taxes collected on and after October 1, 1932, shall, after deducting the said maximum amount of refunds, allocate and place the remainder of said occupation or excise tax on the business of selling gasoline, in the State Treasury as provided by law, in the proportion as follows: One-fourth of such occupation tax or excise tax shall go to, and be placed to the credit of, the Available Free School Fund; a maximum of one-fourth of said occupation or excise tax or so much of said one-fourth as may be necessary to pay the interest, principal and sinking fund requirements on all eligible obligations under this Act and expenses of administration of this Act shall go to, and be placed to the credit of a fund to be known as the "County and Road District Highway Fund"; subject to the provisions and limitations of Section 3 of this Act, the remainder of such occupation or excise tax shall go to, and be placed to the credit of, the State Highway Fund, for the construction and maintenance of the public roads of the State, constituting and comprising the system of State Highways of Texas, as designated by the State Highway Commission of Texas.

Sec. 6. (a) All bonds, warrants, or other evidences of indebtedness heretofore issued by counties or defined road districts of this State, which mature on or after January 1, 1933, insofar as amounts of same were issued for and the proceeds have been actually expended in the construction of roads that constituted and comprised a part of the system of designated State Highways on September 17, 1932, or which subsequent to such date and prior to January 2, 1939, have been designated a part of the System of State Highways, or which subsequent to January 2, 1939, and prior to January 1, 1941, have been designated a part of the system of State Highways, or any road that heretofore has constituted a part of said system and which has been or may be changed, relocated or abandoned, whether said indebtedness is now evidenced by the obligation originally issued or by refunding obligations or both, shall be eligible to

participate in the distribution of moneys coming into said County and Road District Highway Fund, subject to the provisions of this Act; provided that such indebtedness the proceeds of which have been expended in the construction of roads which have been designated as a part of the State Highway System after September 17, 1932, and prior to January 2, 1939, or which subsequent to January 2, 1939, and prior to January 2, 1941, have been designated a part of the State Highway System, shall participate in said County and Road District Highway Fund as of the date of the designation of said road as a part of the State system; provided further that any participation in said fund by any county or defined road district shall be less the amount of money which it was required to accumulate in the sinking fund under the provisions of the statutes and order of the Commissioners Court authorizing the issue of said eligible obligations, and the tax levy authorized at the time of issuance thereof for the time such obligations have run or may have run regardless of whether the full amount of said funds are, or may be actually on hand and to the credit of the sinking funds of such county or defined road district. It is provided expressly in this connection that the term "sinking funds" shall include only those funds required under the law for the retirement of principal and shall not include any excess or surplus which may have been accumulated by any county or defined road district above the legal requirements. The amount of such eligible indebtedness shall be determined as hereinafter provided. Provided further that no State funds created or provided for by the terms of this Act shall be expended in the payment of any interest maturing on the amount of sinking funds required by the terms of this Act to be accumulated by the county or defined road district at the date of eligibility of its obligations.

"In the event the State Highway Commission has, on a date prior to January 2, 1939, recorded a conditional designation and all conditions precedent to the official designation

thereof have been met or performed in a manner satisfactory and acceptable to the Highway Commission, and the Highway Commission officially enters of record its acceptance and designation of such road as a part of the State Highway System for maintenance, then the provisions of this Act shall apply as if the said roads had actually been designated prior to January 2, 1939."

"In addition to and regardless of the other provisions of this Act, all bonds voted by a county, road district, or defined road district prior to January 2, 1939, in so far as amounts of same were or may be issued and the proceeds actually expended in the construction of roads which are a part of the designated system of State Highways, or any such bonds voted prior to January 2, 1932, insofar as amounts of same were actually expended prior to January 2, 1932, in the construction of roads, which roads were conditionally designated as part of the designated system of State Highways prior to January 2, 1941, shall be eligible to participate in the distribution of the moneys coming into said County and Road District Highway Fund the same as provided for other bonds under this Act and as of the date of the designation of said road as a part of the State System; and where such bonds were voted prior to the designation of the road as a State Highway, the county may issue and transfer the proceeds of such bonds to the State Highway Fund for expenditure by the State Highway Department for the construction of such road by the State Highway Department, and when so expended, the bonds shall be eligible to participate in the County and Road District Highway Fund the same as if the bonds were issued and expended prior to January 2, 1939.

Regardless of the provisions of all other laws, or other sections of this Act, all bonds voted by a county or road district prior to January 1, 1941, insofar as amounts of same have been or may be issued and the proceeds actually expended in the construction of roads which are of military importance on the routes important to national defense as certified by the Secretary of War to the United States Public Roads Admin-

istration, shall be eligible to participate in the distribution of moneys coming into the County and Road District Highway Fund the same as provided for other bonds under the provisions of this Act, and shall become eligible to participate in the distribution of moneys, from said Fund as of the date of the award of the contract for such road construction, provided that the county or road district shall issue and expend the proceeds of such bonds on the construction of such military roads under plans and specifications and contracts approved by the State Highway Department.

(b) The Board of County and District Road Indebtedness, created by Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, consisting of the State Highway Engineer, State Comptroller of Public Accounts, and State Treasurer, is hereby continued and charged with the duties of administering this Act. The State Comptroller of Public Accounts shall be the Secretary of said Board and said Board shall elect its own chairman from its membership. The Board shall adopt its own rules consistent with this Act for the proceedings held hereunder, and shall have authority to call to its assistance in arriving at the amount of bonds, warrants, or other evidences of indebtedness eligible to participate in the County and Road District Highway Fund any official or employee of this State, and shall avail itself of all data and information assembled in the administration of Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, and said Board is hereby authorized to call on any County Judge or any County or State Official or employee, and shall have full access to all the records, county books and public documents for the purpose of obtaining any information which it may deem necessary and pertinent to its inquiry in arriving at the amount of bonds, warrants, or other evidences of indebtedness eligible to participate in the County and Road District Highway Fund.

(c) It shall be the duty of the Board of County and District Road Indebtedness, from the data and information furnished by the County

Judges of the State, and by the Chairman of the State Highway Commission and by the State Comptroller of Public Accounts, and from such further investigation as said Board may deem necessary to ascertain and determine the amount of indebtedness eligible under the provisions of this Section of this Act to participate in the moneys coming into said County and Road District Highway Fund. Whenever in the case of any particular issue of obligations the proceeds thereof shall have been expended partly on designated State Highways, or highways heretofore constituting designated State Highways, and partly on roads which never have been designated State Highways, said Board shall ascertain and determine the amount of said obligations, the proceeds of which were actually expended on State Highways or on roads heretofore constituting State Highways, and said obligations to said amount and extent shall be eligible for participation in the moneys coming into the County and Road District Highway Fund, and said ascertainment and determination shall be certified to the County Judge by said Board and all of the unmatured outstanding obligations of said issue shall ratably have the benefit of said participation in said moneys. The ascertainment and determination by the Board of County and District Road Indebtedness, after reasonable notice and hearing, of the amount of any county or defined road district obligations eligible under the provisions of this Act to participate in any monies coming into the County and Road District Highway Fund, or as to the amount of any obligations the proceeds of which were actually expended on State Highways, or on roads heretofore constituting State Highways, shall be final and conclusive and shall not be subject to review in any other tribunal. But said Board of County and District Road Indebtedness shall have the right at any time to correct any errors or mistakes it may have made.

(d) The Board shall make and keep a record of all county and defined road district eligible obligations, issue by issue, and a book shall be prepared and kept in which shall be recorded all eligible issues,

maturity dates of principal and interest, rates of interest, and places of payment for each county and each defined road district; each issue and the data pertaining to same shall be listed separately. The Board shall keep a record of all vouchers issued.

(e) The State Treasurer shall keep a separate account for each county and defined road district of any monies received for the credit of said county or defined road district pursuant to the provisions hereof.

(f) A list shall be compiled by the Board of County and District Road Indebtedness showing the amount ascertained and determined by it to be the eligible indebtedness of each county and defined road district, and a copy thereof shall be furnished to each County Judge in this State.

(g) From year to year, and not later than July 15th of each year, said Board shall ascertain and determine the sum necessary to pay the interest, principal, and sinking fund requirements on all eligible obligations for the next succeeding calendar year and shall estimate the sum which shall be applicable to the same, and shall, not later than August 1st of each year, give notice to the County Judge of each county of the estimated amount available for application to said interest, principal, and sinking fund requirements. In the event the amount so estimated to be applied to the payment of eligible obligations for any county or defined road district is sufficient to meet all maturing interest, principal and sinking funds requirements, the Commissioners' Court may dispense with the collection of ad valorem levies for such calendar and/or fiscal year for such interest, principal, or sinking fund requirements. In the event the amount of payments so estimated to be applied is not sufficient to meet the maturing interest, principal, and sinking fund requirements, the County Commissioners' Court shall collect from taxes on the property in said respective counties and defined road districts, an amount of money equal to the difference between the amount of such requirements and the amount available for application. In this connection it is declared to be the

intent of the Legislature that all contractual duties and obligations which may exist between any county and/or defined road district and the owner or holder of the present outstanding indebtedness of any county and/or defined road district, shall not be in any manner disturbed or impaired and shall remain inviolate. Any tax heretofore provided to be levied in support of any present outstanding indebtedness affected by the provisions of this Act shall continue to be assessed, levied, and collected as originally provided; however, the collection of said tax may, by order of the Commissioners' Court, be lessened and reduced by the payments made, and to be made, thereon and in behalf of such indebtedness out of the County and Road District Highway Fund, as herein provided, and as succeeding Legislature shall, by appropriation, make provisions therefor. The entire proceeds of all taxes collected on any eligible issue of bonds shall be remitted by the County Treasurer of each county collecting the same, together with a statement of the amount collected, to the State Treasurer and shall be held by the State Treasurer as ex officio treasurer of said county or defined road district for the benefit of the county or defined road district remitting the same, and be disbursed to meet the interest, principal, and sinking fund requirements on the eligible obligations of said county or defined road district.

In the event the amount of funds available to be applied to meet the maturing interest, principal, and sinking fund requirements in any calendar or fiscal year is not sufficient to satisfy such requirements, the monies available in the County and Road District Highway Fund, as estimated and determined by the Board, shall be, for that calendar or fiscal year first applied to the payment and satisfaction of interest maturing on all eligible obligations during the particular calendar and/or fiscal year, and this payment is to be made ratably upon the interest on eligible obligations of the various counties or defined road districts; and if there is more of said moneys available than necessary to pay all of said interest, then such balance

over the required interest payment of such year shall be distributed ratably to each issue of eligible obligations on the basis of the principal of eligible obligations on the basis of the principal of eligible obligations and sinking fund requirements thereon maturing each year.

(h) On September 1st of each year after the Board has paid off and discharged all eligible obligations maturing during the preceding fiscal year, together with the interest on such obligations and the sinking fund requirements accruing thereon, out of the County and District Highway Fund, any surplus remaining in said Fund over and above three million dollars (\$3,000,000), or so much thereof as the Board may consider necessary, which shall be carried forward as working capital or as a revolving fund, shall be transferred by the State Treasurer to the State Highway Fund for expenditure by the State Highway Department in the construction and maintenance of the State Highway System.

(i) The County Commissioners' Court of any county may exercise the authority now conferred by law to issue refunding obligations for the purpose of refunding any eligible debt of the county or of any defined road district; and such refunding obligations, when validly issued shall be eligible obligations within the meaning of this Act, if said Board of County and District Road Indebtedness shall approve the maturities of said refunding obligations and the rate of interest borne by them. Provided that no commission, bonus, or premium shall be paid by any county or defined road district for the refunding of such obligations, and no County Treasurer shall receive any commission for handling of the funds derived from the refunding of such obligations. All actual expense incurred in the refunding of its eligible indebtedness, including cost of proceedings, printing, legal approval and interest adjustment, shall be chargeable against the money theretofore or thereafter collected from ad valorem taxes, or at the option of the Commissioners' Court conducting such refunding, may be paid from any other money under its control and available for the purpose, provided no obligations for such expense

items shall be incurred or paid without affirmative approval by said Board. In any instance where, in the opinion of said Board, the existing maturities of any issue of eligible obligations or any part thereof are such as to give the county or defined road district which issued them an inequitable or disproportionate participation in the monies coming into the County and Road District Highway Fund in any particular period, said Board, in its discretion, may require said issue or any part thereof to be refunded into refunding obligations bearing such rate of interest and having such maturities as may be satisfactory to the Board. And if said county or defined road district shall fail or refuse to effectuate such refunding within a reasonable time to be fixed by said Board, said obligations so required to be refunded, and all other obligations of said county or defined road district shall cease to be eligible for participation in said County and Road District Highway Fund until the requirements of said Board with respect to refunding shall be complied with.

(j) All monies to be deposited to the credit of the County and Road District Highway Fund, from September 1, 1941, to August 31, 1943, both inclusive, are hereby appropriated to said respective counties and defined road districts and shall be received, held, used and applied by the State Treasurer, as ex-officio Treasurer of said respective counties and defined road districts, for the purposes and uses more specifically set forth in this Act, including the payment of principal, interest and sinking fund requirements on all eligible obligations maturing on and from September 1, 1941, to and including August 31, 1943, and each year thereafter until all of such obligations are fully paid; and monies coming into the credit of the County and Road District Highway Fund with the State Treasurer and all monies remaining therein from the previous year shall be received and held by him as ex-officio Treasurer of such counties and defined road districts, and shall first be subject to the appropriation for the payment of interest, principal and sinking funds maturing from time to time on said eligible obligations and then for the other uses specified in this Act.

(k) As payment of principal and/or interest becomes due upon such eligible obligations, the State Comptroller of Public Accounts shall issue his warrant to the State Treasurer for the payment thereof, and the State Treasurer shall pay the same at his office in Austin, Texas, or by remitting to the bank or trust company or other place of payment designated in the particular obligation. Such warrants or voucher claims shall show on their face that the proceeds of the same are to be applied by the paying agent to the payment of certain specified obligations or interest therein described, by giving the name of the county or defined road district by which they were issued, numbers, amounts and dates of maturities of the obligations and interest to be paid with instructions to the State Treasurer, paying agent, bank or trust company to return to the State Comptroller of Public Accounts such obligations and interest coupons when same are paid, and the State Comptroller of Public Accounts shall, upon receipt of said obligations and coupons, credit same on his records and send them, duly cancelled, to the Commissioners' Court of the appropriate county, which shall cause to be duly entered a record of such cancellations.

(l) Expenses necessary to be incurred in the determination of the indebtedness of the counties and defined road districts of the State, and in the discharge of the duties required for the payment of such obligations shall be paid from the County and Road District Highway Fund by warrant approved by the Chief Accountant, the State Comptroller of Public Accounts and one other member of said Board.

The compensation of all employees of said Board shall be fixed by the Legislature. All employees of said Board of County and District Road Indebtedness shall be bonded, the amount of such bond being set by the Board.

(m) All of the securities now on hand in which sinking funds collected for the benefit of outstanding eligible issues are invested, and all funds and securities hereafter acquired for the benefit of the entire outstanding balance of all eligible bond issues shall be forwarded with-

in thirty (30) days from the effective date of this Act, and thereafter within thirty (30) days of the acquisition of such fund or securities, to the State Treasurer as ex-officio County Treasurer of the various counties and defined road districts. Provided that the cash now on hand in the sinking fund created for the benefit of outstanding eligible obligations may also be remitted as above set forth, at the option of such county or defined road district. Any county, The Commissioners' Court of which fails or refuses to comply with the provisions of this Act in all things, including the levy, assessment, and obligation of a tax and at a rate sufficient to pay all sums due or to become due, which the State is unable to pay or to provide each year the proportionate amount of sinking fund required to redeem its outstanding bonds at their maturity shall not participate in any of the benefits of this Act so long as such county fails or refuses to comply with the provisions thereof. The Board of County and District Road Indebtedness shall have and possess full authority to invest all such sinking funds, including all future sinking funds acquired in any manner whatsoever, in any eligible obligations of the various political subdivisions of this State, which mature within the current biennium in which such securities are purchased and where there is on hand a sufficient amount of monies or securities to the credit of any one political subdivision to retire some of its outstanding obligations, whether then due or not, the Board of County and District Road Indebtedness may, if it deems it advisable, purchase and cancel said obligations of such particular political subdivision, irrespective of maturity dates. Provided further, that any county which has selected a depository according to law and in which county such depository has qualified by giving surety bonds or by the deposit of adequate securities of the kind provided by law, which in the opinion of the Board of County and District Road Indebtedness is ample to cover the county deposits, and which county has not defaulted in the payment of any installment of principal and/or interest on any county bonds for a period of five (5) years next preced-

ing the date of the filing of its application for exemption, and in which county all sinking funds of all bond issues are in excess of the standard required by law and which county has levied for the current tax year adequate rates in support of outstanding bond issues and warrants as required by the Constitution and Statutes of said State, shall be exempt from the provisions of this subsection (m) of this Act, and which exemption shall be obtained by such county in the manner and under conditions prescribed by the said Board of County and District Road Indebtedness. Said Board shall have the right to inspect the records of such county at any subsequent date to ascertain whether or not the facts warrant the continuation of the exemption. If at any time, in the opinion of the Board, counties that have been granted exemption under the provisions of this Act shall cease to comply with all the conditions under which the exemption has been granted, the Board shall notify the county to return all securities in which the sinking funds of eligible bond issues are invested and the residue in said sinking funds, and to being immediately forwarding taxes levied and collected for the payment of interest and principal on all eligible road bond issues. Said counties whose exemption has been cancelled by said Board shall be given a period of thirty (30) days in which to comply with the demands of the Board. Provided further, that such county so exempt shall furnish the Board an annual statement of the condition of the sinking funds of the several eligible road bond issues, together with a financial statement of the county depository. The Board shall have the right to withhold the payment of any maturity on any eligible road bond indebtedness where such county has failed or refused to comply with all the provisions of this Act.

(n) The Board shall keep adequate minutes of its proceedings and semi-annually, within thirty (30) days after February 28 and August 31, of each year, shall make itemized reports to each county with respect to the receipts, disbursements and investment of the funds credited to such county. The Commissioners' Court of any county and/or its ac-



credited representatives, shall have the right to inspect the records of said Board and of the State Treasurer, at any reasonable time for the purpose of making any investigation or audit of the accounts affecting its county.

(o) The Board shall, within ninety (90) days after the close of each fiscal year, make a complete accounting for the preceding year to the Governor of this State, showing in such report its act, investments, changes in investments and sinking fund status of each county and each defined road district, and shall file copies of such report with the President of the Senate and with the Speaker of the House of Representatives.

(p) In the event this Act is repealed, or shall be or become inoperative as to any county or defined road district, then it shall be the duty of the Board to ascertain immediately the amount of monies and securities remaining on hand with it or with the State Treasurer belonging to the several counties or defined road districts affected, and forthwith to return the same to the County Treasurer of the county entitled thereto, accompanied by an itemized statement of the account of the county or defined road district.

(q) All funds on hand belonging to, and hereafter credited to, the several counties and defined road districts of the State, shall be considered State funds, and as such shall be deposited at intervals in the depositories provided for by the State laws, and all interest earned on such funds and on the securities in which the sinking funds are invested shall belong to said counties or defined road districts, and shall be credited to them by the State Treasurer as earned and collected.

(r) Upon notice from the Board of the amount that such county or defined road district shall be required to pay toward any installment of interest or maturing principal, the County Treasurer of such county shall not later than twenty (20) days prior to the maturity date of such interest, principal, or sinking fund requirements, forward to the State Treasurer the amount fixed by the Board as being neces-

sary to supplement the amounts previously placed to the credit of any such county or defined road district by said Board under the provisions of this Act.

Sec. 7. All bonds heretofore issued by navigation districts of this State, which mature on or after January 1, 1933, and insofar as amounts of same were issued for and the proceeds thereof actually expended in the construction of bridges across any stream or streams or any other waterways upon any highway that constituted and comprised a part of the system of designated State Highways on September 17, 1932, shall hereafter be included within and eligible under the provisions of Chapter 13 of the Acts of the Forty-second Legislature of Texas, passed at its Third Called Session, as amended by the Acts of the Forty-third Legislature of Texas, Regular Session, to the extent that the proceeds of the sale of said bonds shall have been actually expended in the construction of such bridges and in such cases the outstanding bonds of said navigation districts in an amount equal to the amount so expended by such navigation districts shall be redeemed under the same conditions as is provided by said Chapter 13, Acts of the Forty-second Legislature of Texas, Third Called Session, as amended by the Acts of the Forty-third Legislature of Texas, Regular Session, for the redemption of County and Road District Bonds.

It is expressly provided that the Board of County and Road District Bond Indebtedness shall not be authorized to give the bonds herein referred to preference over other similar bonds eligible under said Bond Act; and it is further expressly provided that said Board in determining the amount of bonds eligible for assumption shall take into consideration the amount of the bond money expended for the construction of said bridge and the balance due on said amount of bonds used in the construction of said bridge at the effective date of this Act; and in no event shall said Board be authorized to assume in excess of the balance due on the bonds for the said bridge construction at the effective date of this Act.

Sec. 8. No provision of this Act shall be construed to authorize the giving or lending of the credit of the State to any county or district or to pledge the credit of the State in any manner whatever for the payment of any of the outstanding road indebtedness herein referred to for the counties or districts of the State. It is hereby declared and all eligible indebtedness, as herein defined, shall remain indebtedness of the respective counties or defined road districts which issued it, and said counties or defined road districts shall remain liable on said indebtedness according to its terms and tenor; and it is not the purpose or intention of this Act, or any part hereof, to obligate the State of Texas directly or indirectly or contingently, for the payment of any such obligations or that the State of Texas should assume the payment of said obligations, and this Act is not to be construed as obligating the State of Texas to the holders, of any of said obligations to make any payment of the same, or any part thereof, nor shall such holders have any rights to enforce the appropriation of any of the monies hereinabove provided for, but the provisions hereof are intended solely to compensate, repay and reimburse said counties and districts for the aid and assistance they have given to the State in furnishing, advancing and contributing money for building and constructing State Highways.

Sec. 9. If succeeding Legislatures shall continue to carry out the policy herein defined by authorizing a similar appropriation of funds from time to time, then whenever the eligible obligations shall have been fully paid as herein provided as, to, or for any county or defined road district according to the provisions of this Act, then and in that event, the title and possession of all roads, roadbeds, bridges and culverts, in such county or defined road district which are included in the system of designated State Highways, shall automatically vest in fee simple in the State of Texas, and in the event of any subsequent physical change therein, such title and possession shall extend to any such change so made; provided that when the right-of-way, or any part pertaining to a

State Highway has been abandoned because of the abandonment of such road for all public purposes, and such right-of-way, or any part thereof, was donated by the owner of the land for right-of-way purposes, then and in that event the title to the said right-of-way shall vest in said owner, his heirs or assigns; provided, however, that nothing in this Act shall prevent the State Highway Commission from changing or abandoning any State Highway, and if the Commission shall change or abandon any State Highway in any county, the Commissioners' Court of such county shall have the right to assume jurisdiction over such portion of such highway so abandoned by the State Highway Commission.

Sec. 10. If any section, subsection, paragraph, sentence, clause, or provision of this Act, shall, for any reason, be held invalid, such invalidity shall not affect any other portion of this Act or the application of such section, subsection, paragraph, sentence, clause or provision to any other person or situation, but this Act shall be construed and enforced as if such invalid provisions had not been contained therein.

Sec. 11. This Act shall be cumulative of all other valid laws on the subject, but in the event of a conflict between any provision of this Act and any other Act, the provisions of this Act shall prevail.

Sec. 12. The fact that the present law governing the subject matter of this Act is inadequate creates an emergency as an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in both Houses be suspended, and such Rule is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

CHAMBERS,  
NICHOLSON,  
GILMER,  
ALSUP.

Mr. Morris offered the following substitute for the amendment by Mr. Chambers:

Amend House Bill No. 238 by striking out all below the enacting clause and inserting in lieu thereof the following:

Section 1. That Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, as heretofore amended, be amended so as to be read as follows:

"Section 1. It is expressly recognized and declared that all highways now or heretofore constituting a part of the System of State Highways and that all roads not constituting a part of such System, which have been constructed in whole or in part from the proceeds of bonds, warrants, or other evidence of indebtedness issued by counties of the State of Texas, or by defined road districts of the State of Texas, under the laws authorizing the same, have been and are and will continue to be beneficial to the State of Texas at large, and have contributed to the general welfare, settlement, and development of the entire State, and that, by reason of the foregoing, a heavy and undue burden was placed, and still rests, upon the counties and defined road district and their inhabitants, and both a legal and moral obligation rests upon the State to compensate and reimburse such counties and defined road districts which, as aforesaid, have performed functions resting upon the State, and have paid expenses which were and are properly State expenses, all for the use and benefit of the State, and to the extent provided herein that the State provide funds for the further construction of roads not designated as a part of the State Highway System.

"Having heretofore, by an Act of the Legislature (Chapter 13, Acts of the Third Called Session of the Forty-second Legislature in 1932) taken over, acquired, and purchased the interest and equities of the various counties and defined road districts in and to the highways constituting a part of the System of then designated State Highways, it is further declared to be the policy of the State to take over, acquire, purchase, and retain the interest and equities of the various counties and defined road districts in and to the highways, not previously taken over, acquired, and purchased and constituting on January 2, 1939, a part of the System of designated State Highways, and to acquire and purchase

the interest and equities of the various counties and defined road districts in and to the roads not constituting a part of the System of designated State Highways as of January 2, 1939, and under the provisions of this Act to acquire such interest and equities in such roads hereafter to be constructed with money furnished by the State, and to reimburse said counties and districts therefor, and to provide for the acquisition, establishment, construction, extension and development of the System of designated State Highways of Texas, from some source of income other than the revenues derived from ad valorem taxes, it being expressly provided herein that the State is not assuming, and has not assumed, any obligation for the construction, extension, and development of any of the highways thus acquired and purchased which do not constitute a part of the System of designated State Highways. And it is hereby determined that the further provisions of this Act constitute fair, just, and equitable compensation, repayment, and reimbursement to said counties and defined districts and for their aid and assistance to the State in the construction of State Highways and for the construction of said roads which are ancillary to, but do not constitute a part of said System of State Highways, and fully discharges the legally implied obligations of the State to compensate, repay, and reimburse the agencies of the State for expenses incurred at the instance and solicitation of the State, as well as for expenses incurred for the benefit of the State, and fully discharges the State's legally implied obligation to such counties and defined road districts to provide additional funds for the further construction of roads not designated as a part of the State Highway System.

"Sec. 2. By the expression 'defined road districts' or 'road districts' or 'districts,' used in this Act, is meant any defined road district of the State or any Justice or Commissioner's Precinct acting as a road district or any road district located in one or more than one county.

"By the expression 'roads' or 'road' as used in this Act, is meant

roads, roadbeds, bridges, and culverts.

"By the expression 'highways,' 'State Highways,' and 'State Designated Highways,' are meant roads which prior to January 2, 1939, had become a part of the System of designated State Highways, including roads still constituting a part of such system on said date and those which theretofore constituted a part of such system, but whose status had been lost through change, relocation and abandonment, and including roads concerning which the State Highway Commission had prior to January 2, 1939, recorded a conditional designation in the official minutes of said Highway Commission and all conditions precedent to the official designation thereof have been met or performed in a manner satisfactory and acceptable to the Highway Commission and the Highway Commission theretofore officially entered of record its acceptance and designation of such road as a part of the State Highway System for maintenance.

"All roads which prior to January 2, 1939, had not become a part of the System of State designated Highways, for convenience in this Act, are called 'lateral Roads.'

"The term 'Board' as used in this Act, when the contrary is not clearly indicated, shall mean the 'Board of County and District Road Indebtedness.'

"The term 'fund' as used in this Act, when the contrary is not clearly indicated, shall mean the 'County and District Highway Fund.'

"The expression 'eligible obligations' as used in this Act shall mean obligations, the proceeds of which were actually expended on State designated Highways.

"Sec. 3. All further improvements of said State Highway System shall be made under the exclusive and direct control of the State Highway Department and with appropriations made by the Legislature out of the State Highway Fund. Surveys, plans, and specifications and estimates for all further construction and improvement of said System shall be made, prepared, and paid for by the State Highway Department. No further improvement

of said System shall be made with the aid of or with any moneys furnished by the counties except the acquisition of rights of way which may be furnished by the counties, their subdivisions or defined road districts. But this shall in nowise affect the carrying out of any binding contracts now existing between the State Highway Department and the Commissioners Court of any county, for such county, or for any defined road district. In the development of the System of State Highways and the maintenance thereof, the State Highway Commission shall, from funds available to the State Highway Department provide:

"(a) For the efficient maintenance of all highways comprising the State System.

"(b) For the construction, in cooperation with the Federal Government to the extent of Federal Aid to the State, of highways of durable type of the greatest public necessity.

"(c) For the construction of highways, perfecting and extending a correlated system of State Highways, independently from State Funds.

"Sec. 4. All moneys now are hereafter deposited in the State Treasury to the credit of the 'State Highway Fund,' including all Federal Aid money deposited to the credit of said Fund under the terms of the Federal Aid Highway Act, shall be subject to appropriation by the Legislature for the specific purpose of the improvement of said system of State Highways by the State Highway Department.

"Sec. 5. Each month the Comptroller of Public Accounts, after computing and ascertaining the maximum amount of refunds that may be due by the State on the business of selling gasoline, as provided in Section 17, Chapter 88, General Laws, Acts of the Second Called Session of the Forty-first Legislature, as amended by Chapter 104, General Laws, Acts of the Regular Session of the Forty-second Legislature, shall deduct same from the total occupation or excise tax paid on the business of selling gasoline, as imposed by Section 17, Chapter 98, General Laws, Acts of the Regular Session of the Forty-second Legislature as amended; and, beginning with said taxes

collected on and after October 1, 1932, shall, after deducting the said maximum amount of refunds, allocate and place the remainder of said occupation or excise tax on the business of selling gasoline, in the State Treasury as provided by law, in the proportion as follows: One-fourth of such occupation or excise tax shall go to, and be placed to the credit of, the Available Free School Fund; one-fourth of the same shall go to, and be placed to the credit of, a fund to be known as the 'County and Road District Highway Fund,' subject to the provisions and limitations of Section 3 of this Act; the remainder of such occupation or excise tax shall go to, and be placed to the credit of the State Highway Fund, for the construction and maintenance of the public roads of the State, and constituting and comprising the system of State Highways of Texas.

"Sec. 6 (a) All bonds, warrants, or other evidences of indebtedness heretofore issued by counties or defined road districts of this State, which mature on or after January 1, 1933, in so far as amounts of same were issued for and the proceeds have been actually expended in the construction of Roads, that constituted and comprised a part of the System of designated State Highways on September 17, 1932, or which subsequent to such date and prior to January 2, 1939, have been designated a part of the System of State Highways, or which subsequent to January 2, 1939, and prior to January 1, 1941 have been designated a part of the System of State Highways, the expenditures on which were made prior to September 17, 1932, or any road that heretofore has constituted a part of said System and which has been or may be changed, relocated or abandoned, whether said indebtedness is now evidenced by the obligations originally issued or by refunding obligations or both, shall be eligible to participate in the distribution of the moneys coming into said County and District Highway Fund, subject to the provisions of this Act; provided that such indebtedness, the proceeds of which have been expended in the construction of roads, which have been designated as a part of the State

Highway System after September 17, 1932, and prior to January 2, 1939, shall participate in said County and Road District Highway Fund as of the date of the designation of said road as a part of the State System; provided further that any participation in said fund by any county or defined road district shall be less the amount of money it was required to accumulate in the sinking fund under the provisions of the statutes and order of the Commissioners Court authorizing the issue of said eligible obligations, and the tax levy authorized at the time of issuance thereof for the time such obligations have run or may have run regardless of whether the full amount of said funds are, or may be, actually on hand and to the credit of the sinking funds of such county or defined road district. It is provided expressly in this connection that the term 'sinking funds' shall include only those funds required under the law for the retirement of principal and shall not include any excess or surplus which may have been accumulated by any county or defined road district above the legal requirements. The amount of such eligible indebtedness shall be determined as hereinafter provided. Provided further that no State funds created or provided for by the terms of this Act shall be expended in the payment of any interest maturing on the amount of sinking funds required by the terms of this Act to be accumulated by the county defined road district at the date of eligibility of its obligations.

"In the event the State Highway Commission has, on a date prior to January 2, 1939, recorded a conditional designation and all conditions precedent to the official designation thereof have been met or performed in a manner satisfactory and acceptable to the Highway Commission, and the Highway Commission officially entered of record its acceptance and designation of such road as a part of the State Highway System for maintenance, prior to January 2, 1939, then the provisions of this Act shall apply as if the said Roads had actually been designated prior to January 2, 1939.

"In addition to and regardless of the other provisions of this Act, all bonds voted by a county, road dis-

trict, or defined Road district, prior to January 2, 1939, in so far as amounts of same were or may be issued and the proceeds actually expended in the construction of roads which are a part of the designated System of State Highways, or may thereafter have been designated as part of such system, shall be eligible to participate in the distribution of the moneys coming into said county and Road District Highway Fund the same as provided for other bonds under this Act and as of the date of the designation of said road as a part of the State System; and where such bonds were voted prior to the designation of the road as a State Highway, the county may issue and spend the proceeds on the construction of such road under contract and specifications to be approved by the State Highway Department, and when so expended the bonds shall be eligible to participate in the county and Road District Highway Fund the same as if the bonds were issued and expended prior to January 2, 1939.

“(b) The Board of County and District Road Indebtedness, created by Chapter 13, Acts of the Third Called Session of the Forty-second Legislature consisting of the State Highway Engineer, State Comptroller of Public Accounts, and State Treasurer, is hereby continued and charged with the duties of administering this Act. The State Comptroller of Public Accounts shall be the Secretary of said Board and said Board shall elect its own Chairman from its membership. The Board shall adopt its own rules consistent with this Act for the proceedings held hereunder, and shall have authority to call to its assistants in arriving at the amount of bonds, warrants, or other evidences of indebtedness eligible to participate in the County and Road District Highway Fund, any official or employee of this State, and shall avail itself of all data and information assembled in the administration of Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, and said Board is hereby authorized to call on any County Judge or any County or State official or employee, and shall have full access to all the records, books, and public documents for the purpose of obtaining any information which

it may deem necessary and pertinent to its inquiry in arriving at the amount of bonds, warrants, or other evidence of indebtedness eligible to participate in the County and Road District Highway Fund.

“(c) It shall be the duty of the Board of County and District Road Indebtedness, from the data and information furnished by the County Judges of the State, and by the Chairman of the State Highway Commission, and by the State Comptroller of Public Accounts, and from such further investigation as said Board may deem necessary to ascertain and determine the amount of indebtedness eligible under the provisions of this Section of this Act to participate in the moneys coming into said County and Road District Highway Fund. Whenever in the case of any particular issue of obligations the proceeds thereof shall have been expended partly on designated State Highways, or highways heretofore constituting designated State Highways, and partly on roads which never have been designated State Highways, said Board shall ascertain and determine the amount of said obligations, the proceeds of which were actually expended on State Highways or on roads heretofore constituting State Highways, and said obligations to said amount and extent shall be eligible for participation in the moneys coming into the County and Road District Highway Fund, and said ascertainment and determination shall be certified to the County Judge by said Board and all of the unmatured outstanding obligations of said issue shall ratably have the benefit of said participation in said moneys. The ascertainment and determination by the Board of County and District Road Indebtedness, after reasonable notice and hearing, of the amount of any county or defined road district obligations eligible under the provisions of this Act to participate in any moneys coming into the County and Road District Highways Fund, or as to the amount of any obligation, the proceeds of which were actually expended on State Highways, or on roads heretofore constituting State Highways, shall be final and conclusive and shall not be subject to review in any other tribunal. But said Board of County

and District Road Indebtedness shall have the right at any time to correct any errors or mistakes it may have made.

“(d) The Board shall make and keep a record of all county and defined road district eligible obligations, issue by issue, and a book shall be prepared and kept in which shall be recorded all eligible issues, maturity dates of principal and interest, rates of interest, and places of payment for each county and each defined road district; each issue and the data pertaining to same shall be listed separately. The Board shall keep a record of all vouchers issued.

“(e) The State Treasurer shall keep a separate account for each county and defined road district of any monies received for the credit of said county or defined road district pursuant to the provisions hereof.

“(f) A list shall compiled by the Board of County and District Road Indebtedness showing the amount ascertained and determined by it to be the eligible indebtedness of each county and defined road district, and a copy thereof shall be furnished to each County Judge in this State.

“(g) From year to year, and not later than July 15th of each year, said Board shall ascertain and determine the sum necessary to pay the interest, principal, and sinking fund requirements on all eligible obligations for the next succeeding calendar year and shall estimate the sum which shall be applicable to the same, and shall, not later than August 1st of each year, give notice to the County Judge of each county of the estimated amount available for application to said interest, principal, and sinking fund requirements. In the event the amount so estimated to be applied to the payment of eligible obligations for any county or defined road district is sufficient to meet all maturing interest, principal, and sinking fund requirements, the Commissioners Court may dispense with the collection of the ad valorem levies for such calendar and/or fiscal year for such interest, principal, or sinking fund requirements. In the event the amount of payments so estimated to be applied is not sufficient to meet the maturing interest, principal, and sinking

fund requirements, the County Commissioners Court shall collect from taxes on the property in said respective counties and defined road districts, an amount of money equal to the difference between the amount of such requirements and the amount available for applications. Provided, however, that the Commissioners Court of any County may exercise the authority now conferred by law, to refund such maturing obligations as in the discretion of the Court would be to the best interest of said county, and in such event, such Court may discontinue the levying of an ad valorem tax for such maturing obligations for such year or years. In this connection, it is declared to be the intent of the Legislature that all contractual duties and obligations which may exist between any county and/or defined road district and the owner or holder of the present outstanding indebtedness of any county and/or defined road district, shall not be in any manner disturbed or impaired and shall remain inviolate. Any tax heretofore provided to be levied in support of any present outstanding indebtedness affected by the provisions of this Act shall continue to be assessed, levied, and collected as originally provided; however, the collection of said tax may, by order of the Commissioners Court, be lessened and reduced by the payments made, and to be made, thereon and in behalf of such indebtedness out of the County and Road District Highway Fund, as herein provided, and as succeeding Legislatures shall, by appropriation, make provisions therefor. The entire proceeds of all taxes collected on any eligible issue of bonds shall be remitted by the County Treasurer of each county collecting the same, together with a statement of the amount collected, to the State Treasurer and shall be held by the State Treasurer as ex officio Treasurer of said county or defined road district for the benefit of the county or defined road district remitting the same, and be disbursed to meet the interest, principal, and sinking fund requirements on the eligible obligations of said County or defined road district. In the event the amount of funds available to be applied to meet the matur-



ing interest, principal, and sinking fund requirements of any calendar or fiscal year is not sufficient to satisfy such requirements, the monies available in the County and Road District Highway Fund, as estimated and determined by the Board, shall be, for that calendar or fiscal year first applied to the payment and satisfaction of interest maturing on all eligible obligations during the particular calendar and/or fiscal year, and this payment is to be made ratably upon the interest on eligible obligations of the various counties or defined road districts; and if there is more of said monies available than necessary to pay all of said interest, then such balance over the required interest payment for such year shall be distributed ratably to each issue of eligible obligations on the basis of the principal of eligible obligations and sinking fund requirements thereon maturing each year.

"(h) On September 1st of each year after the Board has paid off and discharged all eligible obligations maturing during the preceding fiscal year, together with the interest on such obligations and the sinking fund requirements accruing thereon, out of the County and District Highway Fund, any surplus remaining in said Fund over and above Three Million Dollars (\$3,000,000) which shall be carried forward as working capital or as a revolving fund, shall be set aside and credited to an account which shall be known as 'Lateral Road Account,' provided, however, all money on deposit with the State Treasurer in the County and Road District Highway Fund at the close of the day of August 31, 1939, shall be held, used and applied exclusively to the payment of principal, interest and sinking fund requirements on indebtedness constituting eligible obligations under Chapter 13, Acts Third Called Session of the Forty-second Legislature, and amendments thereto in effect at the time this Act becomes effective.

"As soon as practicable after the passage of this Act, and before the Lateral Road Account is allocated to the counties, the Board shall determine the amount each county and each defined road district has paid since January 1, 1933, under the

provisions of Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, as amended, toward its debt service upon bonds which at the time of payment were eligible to participate in the County and Road District Highway Fund, and shall deduct from the amount paid by such county or defined road district any and all advancements made by the Board to such county or defined road district in adjusting, refunding, or prepaying the eligible obligations of such county or defined road district, and after making such deductions, the Board shall credit the Lateral Road Account of each county or defined road district with the net balance contributed by such county or road district toward the retirement of said eligible obligations and said funds so credited to any county or defined road district may be used or expended by the counties and defined road district for the purposes authorized in this section.

"Not later than September 15th of each year the said Board shall ascertain the exact amount of money which has been allocated to the said Lateral Road Account for such fiscal year and which at that time is available. The Board shall allocate to each county its proportionate part of the moneys in said Lateral Road Account, which allocation shall be determined in the following manner:

"(1) One-tenth of the money in said account shall be allocated upon the basis of area, determined by the ratio of the area of the county to the total area of the State.

"(2) Two-tenths of the moneys in said account shall be allocated on the basis of population according to the last preceding Federal Census, determined by the ratio of the population of the county to the total population of the State.

"(3) Three-tenths of the moneys in said account shall be allocated upon the basis of the number of motor vehicles registered during the last preceding registration year, determined by the ratio of the number of such vehicles registered in the county to the total number registered in the State as shown by the official report of the State Highway Department.



"(4) Four-tenths of the moneys in said account shall be allocated to the counties on the basis of lateral road mileage, determined by the ratio of the mileage of lateral roads in the State as of January 1, 1939, as shown by the records of the State-Federal Highway Planning Survey and the State Highway Department.

"If the records of the Highway Department and the State-Federal Highway Planning Survey are such that, in the opinion of the Highway Commission or of any county, there is a reasonable doubt as to their accuracy, the Highway Commission may authorize an independent survey to be made of that county's lateral road mileage upon its own motion or on the application of said county. The expense of such survey shall be borne by the county.

"The moneys allocated to each county from the lateral road account shall be used by said county first for paying the principal, interest, and sinking fund requirements maturing during the fiscal year for which such money was allocated to such county on bonds, warrants, and other legal obligations issued prior to January 2, 1939, the proceeds of which were actually expended in acquiring rights of way for State designated highways, it being the intention of the Legislature to designate and set apart sufficient money to pay off and discharge said outstanding obligations incurred for right-of-way acquisition. Funds remaining in the Lateral Road Fund of any county after the payment of said right-of-way obligations shall be used by the county for paying the maturing principal, interest, and sinking fund requirements, due by the county in that calendar year on bonds, warrants, or other evidences of indebtedness which were legally issued by such county or road districts prior to January 2, 1939, the proceeds of which were actually expended in the construction or improvement of lateral county roads. Payment to be made ratably upon the principal and interest on the maturing road bond obligations of said county for such fiscal years. Any funds remaining in the Lateral Road Fund of any county after the payment of said principal, interest, and sinking fund requirements due or

maturing in that calendar year on bonds or warrants which were legally issued by such county or road district prior to January 2, 1939, the proceeds of which were actually expended in the construction or improvement of lateral county roads, may be used by the county under direction of the Commissioners Court for any one or all of the following purposes: (a) for the acquisition of rights of way for county lateral roads and for the payment of legal obligations incurred therefor prior to January 2, 1939, (b) for the construction or improvement of county lateral roads, (c) for the purpose of supplementing funds appropriated by the United States Government for Works Progress Administration highway construction, Public Works Administration highway construction, and such other grants of Federal funds as may be made available to the counties of this State for county lateral road construction, and (d) for the purpose of cooperating with the State Highway Department and the Federal Government in the construction of farm-to-market roads. Provided that when such funds are used for the construction or improvement of county lateral roads, such construction or improvement shall be made under the supervision of a competent engineer.

"After such allocation has been made to the several counties in the State, the Board shall in writing notify the Chairman of the Commissioners Court of each county of the amount which has been credited to that county. After receiving said notice, the Commissioners Court shall, within sixty days, notify the Board of the manner in which it has exercised its option as to the one or more specified uses of said money permitted under this Act.

"Such money shall be applied pro rata to the payment of the debt service requirements of all issues of lateral road indebtedness of the County and all included defined road districts, in the proportion that the debt service requirements of each issue bears to the aggregate debt service requirements of all issues for that year. When any issue of obligations which will receive aid under this section is already listed with the Board of County and Dis-

strict Road Indebtedness, the Board shall credit the amount applicable to said issue to the account of said issue in the State Treasury. As to all other issues of obligations, which will receive aid under this subsection (h), the Commissioners Court of the specific counties affected shall have the right if so desired to utilize the facilities of the State Board of County and District Road Indebtedness in paying the amounts of principal and interest on said issues substantially in the manner that payments are effected as to such eligible obligations.

"In the event that the funds so received by the county from the lateral Road Account are in excess of the amount required to meet the principal and interest of its maturing road bond obligations for the next fiscal year, the Commissioners Court, in that event, may elect to use such excess money allocated to it from the Lateral Road Account, and in such event, it shall notify, in writing, the said Board of its election to make use of said money. Whereupon, said Board shall remit said balance to be utilized for such purpose, to the County Treasurer of such county, said money to be deposited by the County Treasurer in accordance with the law, and the same shall be utilized by the county, acting through the Commissioners Court, for the construction of lateral roads. Each county may call upon the State Highway Commission to furnish adequate technical and engineering supervision in making surveys, preparing plans, and specifications, preparing project proposals and supervising actual construction; the actual cost of such aid in supervision shall be paid by the county as a charge against its project.

"In order that maximum benefits may be obtained in the expenditure of the State fund made available to the counties under this Act for the construction of county lateral roads, and so that the counties may have the benefit of widespread competition among contractors in bidding on such projects, such counties may, in their discretion, authorize the State Highway Commission to receive bids in Austin on all such construction in the same manner as is

now provided by law for the award of contracts on State Highways.

"When any road which shall have been constructed by any county wholly from the County Lateral Road Account shall be designated by the State Highway Commission as a part of the system of designated State Highways, the designation of such road by the State Highway Commission shall constitute a full and complete discharge of any and all obligations of the State, moral, legal, or implied, for the payment of such highway.

"In the event the Commissioners Court elects to cooperate with the Highway Department in the building of, or in the construction of, farm-to-market roads, it shall by proper resolution entered upon its minutes, authorize the State Treasurer to pay such funds to be so used, over to the State Highway Department for use on certain designated projects. Regardless of how the funds allocated to the counties from the Lateral Road Account are used, the County Judge of each County shall file with the Board on or before October 1st, of each year, a verified report showing the manner in which the said funds have been expended, the nature and location of the roads constructed, and such other information as the Board may from time to time require.

"(i) The County Commissioners Court of any county may exercise the authority now conferred by law to issue refunding obligations for the purpose of refunding any eligible debt of the County or of any defined road district when so requested by the Board of County and District Road Indebtedness; and such refunding obligations, when validly issued, shall be eligible obligations within the meaning of this Act, if said Board of County and District Road Indebtedness shall approve the maturities of said refunding obligations and the rate of interest borne by them. In any instance where, in the opinion of said Board, the existing maturities of any issue of eligible obligations or any part thereof are such as to give the county or defined road district which issued them an inequitable or disproportionate participation in the moneys coming into the County and Road

District Highway Fund in any particular period, said Board, in its discretion, may require said issue or any part thereof to be refunded into refunding obligations bearing such rate of interest and having such maturities as may be satisfactory to the Board. And if said county or defined road district shall fail or refuse to effectuate such refunding within a reasonable time to be fixed by said Board, said obligations so required to be refunded, and all other obligations of said county or defined road district shall cease to be eligible for participation in said County and Road District Highway Fund until the requirements of said Board with respect to refunding shall be complied with. Provided, however, that the County Commissioners Court of any county may exercise the authority now conferred by law to issue refunding obligations for the purpose of refunding that part of the eligible debt of the county or defined road district which said county or defined road district is required to pay on such bonds or warrants from the revenues procured by the levying of an annual ad valorem tax or by payment to said county from the proceeds derived from the Lateral Road Fund Account, it being the intention of the Legislature to empower the Commissioners Courts of the various counties of Texas to refund that portion of the debt of all eligible obligations of any county or defined road district which the counties or defined road districts are required to pay, and such counties are hereby authorized in the refunding of such bonds to issue either term or serial bonds, which, in the sound discretion of such Commissioners Court, result in the greatest benefit to the taxpayers and citizens of such county, in order that such counties or defined road districts may schedule outstanding road bond obligation maturities to conform to the benefits to be derived from participation in the Lateral Road Fund Account, provided, however, that such bonds, when so refunded shall cease to be eligible obligations within the meaning of this Act, and provided further that the maturity dates of no such refunding issues shall extend beyond September 1, 1959. The expense of such refunding

shall be borne by the counties or defined road districts, and the interest rate of any such refunding issue shall not be in excess of the interest rate of such now outstanding bonds or warrants.

“(j) All moneys to be deposited to the credit of the County and Road District Highway Fund, from September 1, 1941, to August 31, 1943, both inclusive, are hereby appropriated to said respective counties and defined road districts and shall be received, held, used, and applied by the State Treasurer, as ex-officio Treasurer of said respective counties and defined road districts, for the purpose and uses more specifically set forth in this Act, including the payment of principal, interest, and sinking fund requirements on all eligible obligations maturing on and from September 1, 1941, to and including August 31, 1943, and each year thereafter until all of such eligible obligations are fully paid; and moneys coming into the credit of the County and Road District Highway Fund with the State Treasurer and all moneys remaining therein from the previous year shall be received and held by him as ex-officio treasurer of such counties and defined road district, and shall first be subject to the appropriation for the payment of interest, principal, and sinking funds maturing from time to time on said eligible obligations and then for the other uses specified and permitted in this Act.

“(k) As payment of principal and/or interest becomes due upon such eligible obligations, the State Comptroller of Public Accounts shall issue his warrant to the State Treasurer for the payment thereof, and the State Treasurer shall pay the same at his office in Austin, Texas, or by remitting to the bank or trust company or other place of payment designated in the particular obligation. Such warrants or voucher claims shall show on their face that the proceeds of the same are to be applied by the paying agent to the payment of certain specified obligations or interest therein described, by giving the name of the county or defined road district by which they were issued numbers, amounts, and dates of maturities of the obligations and interest to be paid with instruc-

tion to the State Treasurer, paying agent, bank, or trust company to return to the State Comptroller of Public Account such obligations and interest coupons when same are paid, and the State Comptroller of Public Accounts shall, upon receipt of said obligations and coupons, credit same on his records and send them, duly cancelled, to the Commissioners Court of the appropriate county, which shall cause to be duly entered a record of such cancellation. Provided, however, that in instances wherein the County Commissioners Court of any county has elected to refund that part of its eligible debt which the county is required to pay, then in that event the State Comptroller of Public Accounts shall inscribe on such bond or bonds a statement of the amount actually paid in cash, and the amount to be refunded or refundable and when such amount is actually refunded such bonds shall be duly cancelled, and such refunding bonds when so issued shall cease to be eligible obligations within the meaning of this Act. In instances wherein counties or defined road districts therein shall have arranged with the Board to pay principal or interest thereon, of outstanding lateral road indebtedness, the Board, the State Comptroller of Public Accounts, and the State Treasurer shall follow, in so far as practicable, the procedure prescribed in this subsection (k) for the payment of the principal and interest of eligible obligations.

"(l) Expenses necessary to be incurred in the determination of the indebtedness of the counties and defined road districts of the State, and in the discharge of the duties required for the payment of such obligations shall be paid from the county and Road District Highway Fund by warrant approved by the Chief Accountant, the State Comptroller of Public Accounts and one other member of said Board. The compensation of all employees of said Board shall be fixed by the Legislature. All employees of said Board of County and District Road Indebtedness shall be bonded, the amount of such bond being set by the Board.

"(m) All of the securities now on hand in which sinking funds collected for the benefit of outstanding eligible issues are invested, and all funds and securities hereafter acquired for the benefit of the entire outstanding balance of all eligible bond issues shall be forwarded within thirty (30) days from the effective date of this Act, and thereafter within thirty (30) days of the acquisition of such fund or securities, to the State Treasurer as ex-officio County Treasurer of the various counties and defined road district. Provided that the cash now on hand in the sinking fund created for the benefit of outstanding eligible obligations may also be remitted, as above set forth, at the option of such county or defined road district. Any county, the Commissioners Court of which fails or refuses to comply with the provisions of this Act in all things, including the levy, assessment and collection of a tax at a rate sufficient to pay all sums due or to become due, which the State is unable to pay or to provide each year the proportionate amount of sinking fund required to redeem its outstanding bonds at their maturity shall not participate in any of the benefits of this Act so long as such county fails or refuses to comply with the provisions thereof. The Board of County and District Road Indebtedness shall have and possess full authority to invest all such sinking funds, including all future sinking funds acquired in any manner whatsoever, in any eligible obligations of the various political subdivisions of this State, which mature within the current biennium in which such securities are purchased, and where there is on hand a sufficient amount of moneys or securities to the credit of any one political subdivision to retire some of its outstanding obligations, whether then due or not, the Board of County and District Road Indebtedness may, if it deems it advisable, purchase and cancel said obligations of such particular political subdivision, irrespective of maturity dates. Provided further, that any county which has selected a depository according to law and in which county such depository has qualified by giving

surety bonds or by the deposit of adequate securities of the kind provided by law, which in the opinion of the Board of County and District Road Indebtedness is ample to cover the County deposits, and which county has not defaulted in the payment of any installment of principal and/or interest on any county bonds for a period of five (5) years next preceding the date of the filing of its application for exemption, and in which county all sinking funds of all bond issues are in excess of the standard required by law and which county has levied for the current tax year adequate rates in support of outstanding bond issues and warrants as required by the Constitution and Statutes of said State, shall be exempt from the provisions of this subsection (m) of this Act, and which exemption shall be obtained by such county in the manner and under conditions prescribed by the said Board of County and District Road Indebtedness. Said Board shall have the right to inspect the records of such county at any subsequent date to ascertain whether or not the facts warrant the continuation of the exemption. If at any time, in the opinion of the Board, counties that have been granted exemption under the provisions of this Act shall cease to comply with all the conditions under which the exemption has been granted, the Board shall notify the County to return all securities in which the sinking funds of eligible road bond issues are invested and the residue in said sinking funds, and to begin immediately forwarding taxes levied and collected for the payment of interest and principal on all eligible road bond issues. Said counties whose exemption has been cancelled by said Board shall be given a period of thirty (30) days in which to comply with the demands of the Board. Provided further, that such county so exempt shall furnish the Board an annual statement of the condition of the sinking funds of the several eligible road bond issues, together with a financial statement of the county depository. The Board shall have the right to withhold the payment of any maturity on any eligible road bond indebtedness where such coun-

ty has failed or refused to comply with all the provisions of this Act.

“(n) The Board shall keep adequate minutes of its proceedings and semi-annually, within thirty (30) days after February 28 and August 31, of each year, shall make itemized reports to each county with respect to the receipt, disbursement, and investment of the funds credited to such county. The Commissioners Court of any county, and/or its accredited representatives, shall have the right to inspect the records of said Board and of the State Treasurer, at any reasonable time for the purpose of making any investigation or audit of the account affecting its county.

“(o) The Board shall, within ninety (90) days after the close of each fiscal year, make a complete accounting for the preceding year to the Governor of this State, showing in such report its acts, investments, changes in investments, and sinking fund status of each county and each defined road district, and shall file copies of such report with the President of the Senate and with the Speaker of the House of Representatives.

“(p) In the event this Act is repealed, or shall be or become inoperative as to any county or defined road district, then it shall be the duty of the Board to ascertain immediately the amount of monies and securities remaining on hand with it or with the State Treasurer belonging to the several counties or defined road districts affected, and forthwith to return the same to the County Treasurer of the County entitled thereto, accompanied by an itemized statement of the account of the county or defined road district.

“(q) All funds on hand belonging to, and hereafter credited to, the several counties and defined road districts of the State, shall be considered State funds, and as such shall be deposited at intervals in the depositories provided for by the State laws, and all interest earned on such funds and on the securities in which the sinking funds are invested shall belong to said counties or defined road districts, and shall be credited to them by the State Treasurer as earned and collected.

"(r) Upon notice from the Board of the amount that such county or defined road district shall be required to pay toward any installment of interest or maturing principal, the County Treasurer of such county shall, not later than twenty (20) days prior to the maturity date of such interest, principal, or sinking fund requirements, forward to the State Treasurer the amount fixed by the Board as being necessary to supplement the amounts previously placed to the credit of any such county or defined road district by said Board under the provisions of this Act.

"Sec. 7. All bonds heretofore issued by Navigation Districts of this State, which mature on or after January 1, 1933, and in so far as amounts of same were issued for and the proceeds thereof actually expended in the construction of bridges across any stream or streams or any other waterways upon any highway that constituted and comprised a part of the system of designated State Highways on September 17, 1932, shall hereafter be included within and eligible under the provisions of Chapter 13, of the Acts of the Forty-second Legislature of Texas, passed at its Third Called Session, as amended by the Acts of the Forty-third Legislature of Texas, Regular Session, to the extent that the proceeds of the sale of said bonds shall have been actually expended in the construction of such bridges; and in such cases the outstanding bonds of said Navigation Districts in an amount equal to the amount so expended by such navigation districts shall be redeemed under the same conditions as is provided by said Chapter Thirteen, Acts of the Forty-second Legislature of Texas, Third Called Session, as amended by the Acts of the Forty-third Legislature of Texas, Regular Session, for the redemption of County and Road District bonds.

"It is expressly provided that the Board of County and Road District Bond Indebtedness shall not be authorized to give the bonds herein referred to preference over other similar bonds eligible under said Bond Act; and it is further expressly provided that said Board in determining the amount of bonds eligible for assumption shall take into consideration the amount of the bond money

expended for the construction of said Bridge and the balance due on said amount of bonds used in the construction of said bridge at the effective date of this Act; and in no event shall said board be authorized to assume in excess of the balance due on the bonds for the said bridge construction at the effective date of this Act.

"Sec. 8. No provision of this Act shall be construed to authorize the giving or lending of the credit of the State to any county or district or to pledge the credit of the State in any manner whatever for the payment of any of the outstanding road indebtedness herein referred to of the counties or districts of the State. It is hereby declared that all eligible indebtedness, as herein defined, shall remain indebtedness of the respective counties or defined road districts which issued it, and said counties or defined road districts shall remain liable on said indebtedness according to its terms and tenor; and it is not the purpose or intention of this Act, or any part hereof, to obligate the State of Texas directly or indirectly or contingently, for the payment of any such obligation or that the State of Texas should assume the payment of said obligations, and this Act is not to be construed as obligating the State of Texas to the holders of any said obligations to make any payment of the same, or any part thereof, nor shall such holders have any right to enforce the appropriation of any of the moneys hereinabove provided for, nor shall any provision hereof constitute a contract on the part of the State to make money available to any county for the construction of additional lateral roads, but the provisions hereof are intended solely to compensate, repay, and reimburse said counties and districts for the aid and assistance they have given to the State in furnishing, advancing, and contributing money for building and constructing State Highways and lateral roads, to provide for the use and application by said counties and districts of the money which they may receive under the provisions of this Act, and under the circumstances prescribed in this Act to provide additional money to counties for the construction of additional lateral roads.

"Sec. 9. It shall be unlawful for any County Judge or any County Commissioner, while acting in his official capacity or otherwise, to use any money out of the Lateral Road Account for any purpose except the purpose enumerated in this Act. If any County Judge or any County Commissioner shall knowingly expend or use, or vote for the use or agree to expend or use any sum of money accruing to any county in this State from the Lateral Road Account, for any purpose not authorized by this Act or shall knowingly make any false statement concerning the expenditure of any such money, he shall be deemed guilty of a felony and upon conviction shall be punished by confinement in the State Penitentiary for not less than two (2) nor more than five (5) years, and venue for prosecution for any violation of this Act is in Travis County.

"Sec. 10. If succeeding Legislature shall continue to carry out the policy herein defined by authorizing a similar appropriation of funds from time to time, (a) then whenever the eligible obligations shall have been fully paid as herein provided, as to, or for any county or defined road district according to the provisions of this Act, then and in that event, the title and possession of all roads, roadbeds, bridges and culverts in such county or defined road district which are included in the System of designated State Highways, shall automatically vest in fee simple in the State of Texas, and in the event of any subsequent physical change therein, such title and possession shall extend to any such change so made; and (b) whenever the interest and principal necessary to retire the outstanding indebtedness owed for lateral roads shall have been fully paid as herein provided, as to, or for any county or defined road district according to the provisions of this Act, then in that event, the title of all roads, roadbeds, bridges, and culverts, in such county or defined road district pertaining to the lateral roads, constructed with the proceeds of such indebtedness, shall automatically vest in the State of Texas, but the possession thereof shall remain in such county or defined road district, and

in the event of any subsequent physical change therein, such title and possession shall extend to any such change so made, provided that when the right of way, or any part thereof, pertaining either to a State Highway or a Lateral Road, has been abandoned because of the abandonment of such road for all public purposes, and such right of way, or any part thereof, was donated by the owner of the land for right of way purposes, then and in that event, the title to said right of way shall vest in said owner, his heirs or assigns; provided, however, that nothing in this Act shall prevent the State Highway Commission from changing or abandoning any State Highway, and if the Commission shall change or abandon any State Highway in any county, the Commissioners Court of such county shall have the right to assume jurisdiction over such portion of such highway so abandoned by the State Highway Commission. Likewise, the title to additional lateral roads when constructed shall vest in the State of Texas. Provided, however, that this Act neither imposes the obligation on, nor confers the right in the State of Texas, to maintain and lay out any roads except those constituting a part of the designated State Highway System as hereinabove in this Act defined. The obligation to maintain or lay out all other roads, including lateral roads and additional lateral roads as defined in this Act, shall remain undisturbed in the several Commissioners Courts as agents of the State.

"Sec. 11. If any section, subsection, paragraph, sentence, clause, or provision of this Act shall, for any reason, be held invalid, such invalidity shall not affect any other portion of this Act or the application of such section, subsection, paragraph, sentence, clause, or provision to any other person or situation, but this Act shall be construed and enforced as if such invalid provisions had not been contained therein.

"Sec. 12. This Act shall be cumulative of all other valid laws on the subject, but in the event of a conflict between any provision of this Act and any other Act, the provisions of this Act shall prevail."

Sec. 2. The fact that the present



law governing the subject matter of this Act is inadequate creates an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in both Houses be suspended, and such Rule is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

MORRIS,  
KERSEY.

(Pending consideration of the substitute amendment by Mr. Morris, Mr. Bean occupied the Chair temporarily.)

(Speaker in the Chair.)

Mr. Lansberry (by unanimous consent) offered the following second substitute amendment:

Amend House Bill No. 238 by striking out all below the enacting clause and by inserting in lieu thereof the following:

"Section 1. That Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, as heretofore amended, be amended so as to be and read as follows:

Section 1. It is expressly recognized and declared that all highways now or heretofore constituting a part of the System of State Highways and that all roads not constituting a part of such System, which have been constructed in whole or in part from the proceeds of bonds, warrants or other evidence of indebtedness issued by counties of the State of Texas, or by defined road districts of the State of Texas, under the laws authorizing the same, have been and are and will continue to be beneficial to the State of Texas at large, and have contributed to the general welfare, settlement and development of the entire State, and that, by reason of the foregoing, a heavy and undue burden was placed, and still rests, upon the counties and defined road districts and their inhabitants, and both a legal and moral obligation rests upon the State to compensate and reimburse such counties and defined road districts which, as aforesaid, have performed functions resting upon the State, and have paid expenses which

were and are properly State expenses, all for the use and benefit of the State, and to the extent provided herein that the State provide funds for the further construction of roads not designated as a part of the State Highway System.

Having heretofore, by an Act of the Legislature (Chapter 13, Acts of the Third Called Session of the Forty-second Legislature in 1932) taken over, acquired and purchased the interest and equities of the various counties and defined road districts in and to the highways constituting a part of the System of then designated State Highways, it is further declared to be the policy of the State to take over, acquire, purchase and retain, the interest and equities of the various counties and defined road districts in and to the highways, not previously taken over, acquired and purchased and constituting on January 2, 1939, a part of the System of designated State Highways, and to acquire and purchase the interest and equities of the various counties and defined road districts in and to the roads not constituting a part of the System of designated State Highways as of January 2, 1939, and under the provisions of this Act to acquire such interest and equities in such roads hereafter to be constructed with money furnished by the State, and to reimburse said counties and districts therefor, and to provide for the acquisition, establishment, construction, extension and development of the System of designated State Highways of Texas, from some source of income other than the revenues derived from ad valorem taxes, it being expressly provided herein that the State is not assuming, and has not assumed, any obligation for the construction, extension and development of any of the highways thus acquired and purchased which do not constitute a part of the System of designated State Highways. And it is hereby determined that the further provisions of this Act constitute fair, just and equitable compensation, repayment and reimbursement to said counties and defined districts and for their aid and assistance to the State in the construction of State Highways and for the construction of said



roads which are ancillary to but do not constitute a part of said System of State Highways, and fully discharges the legally implied obligations of the State to compensate, repay and reimburse the agencies of the State for expenses incurred at the instance and solicitation of the State, as well as for expenses incurred for the benefit of the State, and fully discharges the State's legally implied obligation to such counties and defined road districts to provide additional funds for the further construction of roads not designated as a part of the State Highway System.

"Sec. 2. By the expression 'defined road districts' or 'road districts' or 'district,' used in this Act, is meant any defined road district of the State or any Justice or Commissioner's Precinct acting as a road district or any road district located in one or more than one county.

"By the expression 'roads' or 'road' as used in this Act, is meant roads, roadbeds, bridges and culverts.

"By the expression 'highways,' 'State Highways' and 'State designated Highways' are meant roads which prior to January 2, 1939, had become a part of the System of designated State Highways, including roads still constituting a part of such system on said date and those which theretofore constituted a part of such system, but whose status had been lost through change, relocation or abandonment, and including roads concerning which the State Highway Commission had prior to January 2, 1939, indicated its intention to designate, evidencing such intention in the official records or files.

"All roads which prior to January 2, 1939, had not become a part of the System of State designated highways, for convenience in this Act, are called 'Lateral Roads.'

"The term 'Board' as used in this Act, when the contrary is not clearly indicated, shall mean the 'Board of County and District Road Indebtedness.'

"The term 'fund' as used in this Act, when the contrary is not clearly indicated, shall mean the 'County and District Highway Fund.'

"The expression 'eligible obliga-

tions' as used in this Act shall mean obligations, the proceeds of which were actually expended on State designated Highways.

"Sec. 3. All further improvement of said State Highway System shall be made under the exclusive and direct control of the State Highway Department and with appropriations made by the Legislature out of the State Highway Fund. Surveys, plans and specifications and estimates for all further construction and improvement of said System shall be made, prepared and paid for by the State Highway Department. No further improvement of said System shall be made, prepared and paid for by the State Highway Department. No further improvement of said System shall be made with the aid of or with any monies furnished by the counties except the acquisition of rights of way which may be furnished by the counties, their subdivisions or defined road districts. But this shall in nowise affect the carrying out of any binding contracts now existing between the State Highway Department and the Commissioners Court of any county, for such county, or for any defined road district. In the development of the System of State Highways and the maintenance thereof, the State Highway Commission shall, from funds available to the State Highway Department, provide:

"(a) For the efficient maintenance of all highways comprising the State System.

"(b) For the construction, in cooperation with the Federal Government to the extent of Federal Aid to the State, of highways of durable type of the greatest public necessity.

"(c) For the construction of highways, perfecting and extending a correlated system of State Highways, independently from State Funds.

"Sec. 4. All monies now or hereafter deposited in the State Treasury to the credit of the 'State Highway Fund,' including all Federal Aid Money deposited to the credit of said Fund under the terms of the Federal Aid Highway Act, shall be subject to appropriation by the Legislature for the specific purpose of the improvement of said System of

State Highways by the State Highway Department.

"Sec. 5. Each month the Comptroller of Public Accounts, after computing and ascertaining the maximum amount of refunds that may be due by the State on the business of selling gasoline, as provided in Section 17, Chapter 88, General Laws, Acts of the Second Called Session of the Forty-first Legislature, as amended by Chapter 104, General Laws, Acts of the Regular Session of the Forty-second Legislature, shall deduct same from the total occupation or excise tax paid on the business of selling gasoline, as imposed by Section 17, Chapter 98, General Laws, Acts of the Regular Session of the Forty-second Legislature, as amended; and beginning with said taxes collected on and after October 1, 1932, shall, after deducting the said maximum amount of refunds, allocate and place the remainder of said occupation or excise tax on the business of selling gasoline, in the State Treasury as provided by law, in the proportion as follows: One-fourth of such occupation or excise tax shall go to, and be placed to the credit of, the Available Free School Fund; one-fourth of the same shall go to, and be placed to the credit of, a fund to be known as the 'County and Road District Highway Fund,' subject to the provisions and limitations of Section 3 of this Act; the remainder of such occupation or excise tax shall go to, and be placed to the credit of, the State Highway Fund, for the construction and maintenance of the public roads of the State, constituting and comprising the system of State Highways of Texas, as designated by the State Highway Commission of Texas.

"Sec. 6. (a) All bonds, warrants, or other evidences of indebtedness heretofore issued by counties or defined road districts of this State, which mature on or after January 1, 1933, in so far as amounts of same were issued for and the proceeds have been actually expended in the construction of roads, that constituted and comprised a part of the System of designated State Highways on September 17, 1932, or which subsequent to such date and prior to January 2, 1939, have been

designated a part of the System of State Highways or any road that heretofore has constituted a part of said System and which has been or may be changed, relocated or abandoned, whether said indebtedness is now evidenced by the obligations originally issued or by refunding obligations or both, shall be eligible to participate in the distribution of the monies coming into said County and District Highway Fund, subject to the provisions of this Act; provided, that such indebtedness, the proceeds of which have been expended in the construction of roads, which have been designated as a part of the State Highway System after September 17, 1932, and prior to January 2, 1939, shall participate in said County and Road District Highway Fund as of the date of the designation of said road as a part of the State System; provided further that any participation in said fund by any county or defined road district shall be less the amount of money which it was required to accumulate in the sinking fund under the provisions of the statutes and order of the Commissioners Court authorizing the issue of said eligible obligations, and the tax levy authorized at the time of issuance thereof for the time such obligations have run or may have run regardless of whether the full amount of said funds are, or may be, actually on hand and to the credit of the sinking funds of such county or defined road district. It is provided expressly in this connection that the term 'sinking funds' shall include only those funds required under the law for the retirement of principal and shall not include any excess or surplus which may have been accumulated by any county or defined road district above the legal requirements. The amount of such eligible indebtedness shall be determined as hereinafter provided. Provided further that no State funds created or provided for by the terms of this Act shall be expended in the payment of any interest maturing on the amount of sinking funds required by the terms of this Act to be accumulated by the county or defined road district at the date of eligibility of its obligations.

"In the event the State Highway

Commission has, on a date prior to January 2, 1939, indicated its intention of designating as State Highways the public roads of any county or defined road district in this State, and has evidenced such intention in its official records or files, then the provisions of this Act shall apply as if the said roads had actually been designated prior to January 2, 1939.

"In addition to and regardless of the other provisions of this Act, all bonds voted by a county prior to January 2, 1939, in so far as amounts of same were or may be issued and the proceeds actually expended in the construction of roads which are a part of the designated System of State Highways, shall be eligible to participate in the distribution of the monies coming into said county and Road District Highway Fund the same as provided for other bonds under this Act and as of the date of the designation of said road as a part of the State system; and where such bonds were voted prior to the designation of the road as a State Highway, the county may issue and spend the proceeds on the construction of such road under contract and specifications to be approved by the State Highway Department, and when so expended the bonds shall be eligible to participate in the County and Road District Highway Fund the same as if the bonds were issued and expended prior to January 2, 1939.

"(b) The Board of County and District Road Indebtedness, created by Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, consisting of the State Highway Engineer, State Comptroller of Public Accounts, and State Treasurer, is hereby continued and charged with the duties of administering this Act. The State Comptroller of Public Accounts shall be the Secretary of said Board and said Board shall elect its own chairman from its membership. The Board shall adopt its own rules consistent with this Act for the proceedings held hereunder, and shall have authority to call to its assistance in arriving at the amount of bonds, warrants, or other evidences of indebtedness eligible to participate in the County and Road District High-

way Fund, any official or employee of this State, and shall avail itself of all data and information assembled in the administration of Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, and said Board is hereby authorized to call on any County Judge or any County or State official or employee, and shall have full access to all the records, books and public documents for the purpose of obtaining any information which it may deem necessary and pertinent to its inquiry in arriving at the amount of bonds, warrants, or other evidences of indebtedness eligible to participate in the County and Road District Highway Fund.

"(c) It shall be the duty of the Board of County and District Road Indebtedness, from the data and information furnished by the County Judges of the State, and by the Chairman of the State Highway Commission and by the State Comptroller of Public Accounts, and from such further investigation as said Board may deem necessary to ascertain and determine the amount of indebtedness eligible under the provisions of this Section of this Act to participate in the monies coming into said County and Road District Highway Fund. Whenever in the case of any particular issue of obligations the proceeds thereof shall have been expended partly on designated State Highways, or Highways heretofore constituting designated State Highways, and partly on roads which never have been designated State Highways, said Board shall ascertain and determine the amount of said obligations, the proceeds of which were actually expended on State Highways or on roads heretofore constituting State Highways, and said obligations to said amount and extent shall be eligible for participation in the monies coming into the County and Road District Highway Fund, and said ascertainment and determination shall be certified to the County Judge by said Board and all of the unmatured outstanding obligations of said issue shall ratably have the benefit of said participation in said monies. The ascertainment and determination by the Board of County and District Road Indebtedness, after reasonable no-

tice and hearing, of the amount of any county or defined road district obligations eligible under the provisions of this Act to participate in any monies coming into the County and Road District Highway Fund, or as to the amount of any obligations, the proceeds of which were actually expended on State Highways, or on roads heretofore constituting State Highways, shall be final and conclusive and shall not be subject to review by any other tribunal. But said Board of County and District Road Indebtedness shall have the right at any time to correct any errors or mistakes it may have made.

“(d) The Board shall make and keep a record of all county and defined road district eligible obligations, issue by issue, and a book shall be prepared and kept in which shall be recorded all eligible issues, maturity dates of principal and interest, rates of interest, and places of payment for each county and each defined road district; each issue and the data pertaining to same shall be listed separately. The Board shall keep a record of all vouchers issued.

“(e) The State Treasurer shall keep a separate account for each county and defined road district of any monies received for the credit of said county or defined road district pursuant to the provisions hereof.

“(f) A list shall be compiled by the Board of County and District Road Indebtedness showing the amount ascertained and determined by it to be the eligible indebtedness of each county and defined road district, and a copy thereof shall be furnished to each County Judge in this State.

“(g) From year to year, and not later than July 15th of each year, said Board shall ascertain and determine the sum necessary to pay the interest, principal, and sinking fund requirements on all eligible obligations for the next succeeding calendar year and shall estimate the sum which shall be applicable to the same, and shall, not later than August 1st of each year, give notice to the County Judge of each county of the estimated amount available for application to said interest, principal, and sinking fund requirements. In the event the amount so estimat-

ed to be applied to the payment of eligible obligations for any county or defined road district is sufficient to meet all maturing interest, principal, and sinking fund requirements, the Commissioners Court may dispense with the collection of ad valorem levies for such calendar and/or fiscal year for such interest, principal, or sinking fund requirements. In the event the amount of payments so estimated to be applied is not sufficient to meet the maturing interest, principal, and sinking fund requirements, the County Commissioners Court shall collect from taxes on the property in said respective counties and defined road districts, an amount of money equal to the difference between the amount of such requirements and the amount available for application. In this connection it is declared to be the intent of the Legislature that all contractual duties and obligations which may exist between any county and/or defined road district and the owner or holder of the present outstanding indebtedness of any county and/or defined road district, shall not be in any manner disturbed or impaired and shall remain inviolate. Any tax heretofore provided to be levied in support of any present outstanding indebtedness affected by the provisions of this Act shall continue to be assessed, levied, and collected as originally provided; however, the collection of said tax may, by order of the Commissioners Court, be lessened and reduced by the payments made, and to be made, thereon and in behalf of such indebtedness out of the County and Road District Highway Fund, as herein provided, and as succeeding Legislatures shall, by appropriation, make provisions therefor. The entire proceeds of all taxes collected on any eligible issue of bonds shall be remitted by the County Treasurer of each county collecting the same, together with a statement of the amount collected, to the State Treasurer and shall be held by the State Treasurer as ex-officio Treasurer of said county or defined road district for the benefit of the county or defined road district remitting the same, and be disbursed to meet the interest, principal, and sinking fund requirements on the eligible obliga-

tions of said county or defined road district. In the event the amount of funds available to be applied to meet the maturing interest, principal, and sinking fund requirements in any calendar or fiscal year is not sufficient to satisfy such requirements, the monies available in the County and Road District Highway Fund, as estimated and determined by the Board, shall be, for that calendar or fiscal year first applied to the payment and satisfaction of interest maturing on all eligible obligations during the particular calendar and/or fiscal year, and this payment is to be made ratably upon the interest on eligible obligations of the various counties or defined road districts; and if there is more of said monies available than necessary to pay all of said interest, then such balance over the required interest payment for such year shall be distributed ratably to each issue of eligible obligations on the basis of the principal of eligible obligations and sinking fund requirements thereon maturing each year.

"(h) On September 1st of each year after the Board has paid off and discharged all eligible obligations maturing during the preceding fiscal year, together with the interest on such obligations and the sinking fund requirements accruing thereon, out of the County and District Highway Fund, any surplus remaining in said Fund over and above Three Million Dollars (\$3,000,000) which shall be carried forward as working capital or as a revolving fund shall be set aside and credited to an account which shall be known as 'Lateral Road Account,' provided, however, all money on deposit with the State Treasurer in the County and Road District Highway Fund at the close of the day of August 31, 1941, shall be held, used and applied exclusively to the payment of principal, interest and sinking fund requirements on indebtedness constituting eligible obligations under Chapter 13, Acts, Third Called Session of the Forty-second Legislature and amendments thereto in effect at the time this Act becomes effective.

"As soon as practicable after the passage of this Act and before the

Lateral Road Account is allocated to the counties, the Board shall determine the amount each county and each defined road district has paid since January 1, 1933, under the provisions of Chapter 13, Acts of the Third Called Session of the Forty-second Legislature, as amended, toward its debt service upon bonds which at the time of payment were eligible to participate in the County and Road District Highway Fund, and shall deduct from the amount paid by such county or defined road district any and all advancements made by the Board to such county or defined road district in adjusting, refunding or prepaying the eligible obligations of such county or defined road district, and after making such deductions, the Board shall credit the Lateral Road Account of each county or defined road district with the net balance contributed by such county or road district toward the retirement of said eligible obligations and said funds so credited to any county or defined road district may be used or expended by the counties and defined road districts for the purposes authorized in this section.

"Not later than September 15th of each year the said Board shall ascertain the exact amount of money which has been allocated to the said Lateral Road Account for such fiscal year and which at that time is available. The Board shall allocate to each county its proportionate part of the monies in said Lateral Road Account, which allocation shall be determined in the following manner:

"(1) One-tenth of the money in said Account shall be allocated upon the basis of area, determined by the ratio of the area of the county to the total area of the State.

"(2) Two-tenths of the monies in said Account shall be allocated on the basis of population according to the last preceding Federal Census, determined by the ratio of the population of the county to the total population of the State.

"(3) Three-tenths of the monies in said Account shall be allocated upon the basis of the number of motor vehicles registered during the last preceding registration year, determined by the ratio of the number

of such vehicles registered in the county to the total number registered in the State as shown by the official report of the State Highway Department.

"(4) Four-tenths of the monies in said Account shall be allocated to the counties on the basis of lateral road mileage, determined by the ratio of the mileage of the lateral roads in the county to the total mileage of lateral roads in the State as of January 1, 1939, as shown by the records of the State-Federal Highway Planning Survey and the State Highway Department.

"If the records of the Highway Department and the State-Federal Highway Planning Survey are such that, in the opinion of the Highway Commission or of any county, there is a reasonable doubt as to their accuracy, the Highway Commission may authorize an independent survey to be made of that county's lateral road mileage upon its own motion or on the application of said county. The expense of such survey shall be borne by the county.

"The monies allocated to each county from the Lateral Road Account shall be used by said county first for paying the principal, interest and sinking fund requirements maturing during the fiscal year for which such money was allocated to such county on bonds, warrants and other legal obligations issued prior to January 2, 1939, the proceeds of which were actually expended in acquiring rights of way for State designated highways, it being the intention of the Legislature to designate and set apart sufficient money to pay off and discharge said outstanding obligations incurred for right of way acquisition. Funds remaining in the Lateral Road Fund of any county after the payment of said right of way obligations may be used by the county, under the direction of the Commissioners Court, for any one or all of the following purposes: (a) for the acquisition of rights of way for county lateral roads and for the payment of legal obligations incurred therefor prior to January 2, 1939, (b) for the construction or improvement of county lateral roads, (c) for paying the principal, interest and sinking fund requirements of any bonds or warrants which were

legally issued by such county or Road District prior to January 2, 1939, the proceeds of which were actually expended in the construction or improvement of lateral county roads, (d) for the purpose of supplementing funds appropriated by the United States Government for Works Progress Administration highway construction, Public Works Administration highway construction, and such other grants of Federal funds as may be made available to the counties of this State for county lateral road construction, and (e) for the purpose of cooperating with the State Highway Department and the Federal Government in the construction of farm-to-market roads.

"After such allocation has been made to the several counties in the State, the Board shall in writing notify the Chairman of the Commissioners Court of each county of the amount which has been credited to that county. After receiving said notice, the Commissioners Court shall, within sixty days, notify the Board of the manner in which it has exercised its option as to the one or more specified uses of said money permitted under this Act.

"In the event the Commissioners Court of a county shall have elected to use all or any part of the money thus allocated to said county for the purpose of paying principal and interest or sinking fund requirements of its indebtedness for lateral roads, such money shall be applied pro rata to the payment of the debt service requirements of all issues of lateral road indebtedness of the county and all included defined road districts, in the proportion that the debt service requirements of each issue bears to the aggregate debt service requirements of all issues for that year. When any issue of obligations which will receive aid under this section is already listed with the Board of County and District Road Indebtedness, the Board shall credit the amount applicable to said issue to the account of said issue in the State Treasury. As to all other issues of obligations, which will receive aid under this subsection (h), the Commissioners Courts of the specific counties affected shall have the right if so desired to utilize the facilities of the State Board of County and

District Road Indebtedness in paying the amounts of principal and interest on said issues substantially in the manner that payments are effected as to such eligible obligations.

"In the event the Commissioners Court of a county elects to use the money allocated to it from the Lateral Road Account for the construction of lateral roads, it shall notify, in writing, the said Board of its election to make such use of said money. Whereupon, said Board shall remit said money, or the part thereof to be utilized for such purpose, to the County Treasurer of such county, said money to be deposited by the County Treasurer in accordance with the law, and the same shall be utilized by the county, acting through the Commissioners Court, for the construction of lateral roads. Each county may call upon the State Highway Commission to furnish adequate technical and engineering supervision in making surveys, preparing plans and specifications, preparing project proposals and supervising actual construction; the actual cost of such aid in supervision shall be paid by the county as a charge against its project.

"In order that maximum benefits may be obtained in the expenditure of the State fund made available to the counties under this Act for the construction of county lateral roads, and so that the counties may have the benefit of widespread competition among contractors in bidding on such projects, such counties may, in their discretion, authorize the State Highway Commission to receive bids in Austin on all such construction in the same manner as is now provided by law for the award of contracts on State Highways.

"When any road which shall have been constructed by any county wholly from the County Lateral Road Account shall be designated by the State Highway Commission as a part of the system of designated State Highways, the designation of such road by the State Highway Commission shall constitute a full and complete discharge of any and all obligations of the State, moral, legal or implied, for the payment of such highway.

"In the event the Commissioners Court elects to cooperate with the

Highway Department in the building of, or in the construction, of farm-to-market roads, it shall by proper resolution entered upon its minutes, authorize the State Treasurer to pay such funds to be so used over to the State Highway Department for use on certain designated projects. Regardless of how the funds allocated to the counties from the Lateral Road Account are used, the County Judge of each county shall file with the Board on or before October 1st, of each year, a verified report showing the manner in which the said funds have been expended, the nature and location of the roads constructed, and such other information as the Board may from time to time require.

"(i). The County Commissioners Court of any county may exercise the authority now conferred by law to issue refunding obligations for the purpose of refunding any eligible debt of the county or of any defined road district; and such refunding obligations, when validly issued, shall be eligible obligations within the meaning of this Act, if said Board of County and District Road Indebtedness shall approve the maturities of said refunding obligations and the rate of interest borne by them. In any instance where, in the opinion of said Board, the existing maturities of any issue of eligible obligations or any part thereof are such as to give the county or defined road district which issued them an inequitable or disproportionate participation in the monies coming into the County and Road District Highway Fund in any particular period, said Board, in its discretion, may require said issue or any part thereof to be refunded into refunding obligations bearing such rate of interest and having such maturities as may be satisfactory to the Board. And if said county or defined road district shall fail or refuse to effectuate such refunding within a reasonable time to be fixed by said Board, said obligations so required to be refunded and all other obligations of said county or defined road district shall cease to be eligible for participation in said County and Road District Highway Fund until the requirements of said Board with respect to refunding shall be complied with.



"The Board of County and District Road Indebtedness is hereby made the refunding agent of each county and as such agent is directed to cooperate with the Commissioners Court of each county in effecting the necessary refunding of each issue of bonds; the Board shall prepare the necessary refunding orders for the Commissioners Court, prepare the proceedings and act in an advisory and supervisory capacity to the end that the expense of refunding any issue of bonds may be reduced to the minimum. Provided that no commission, bonus, or premium shall be paid by any county or defined road district for the refunding of such obligations, and no County Treasurer shall receive any commission for handling of the funds derived from the refunding of such obligations. All actual expense incurred in the refunding of its eligible indebtedness, including cost of proceedings, printing, legal approval and interest adjustment, shall be chargeable against the money therefore or thereafter collected from ad valorem taxes, or at the option of the Commissioners Court conducting such refunding, may be paid from any other money under its control and available for the purpose, provided no obligations for such expense items shall be incurred or paid without affirmative approval by said Board.

"(j). All monies to be deposited to the credit of the County and Road District Highway Fund, from September 1, 1941, to August 31, 1943, both inclusive, are hereby appropriated to said respective counties and defined road districts and shall be received, held, used and applied by the State Treasurer, as ex-officio Treasurer of said respective counties and defined road districts, for the purposes and uses more specifically set forth in this Act, including the payment of principal, interest and sinking funds requirements on all eligible obligations maturing on and from September 1, 1939, to and including August 31, 1941, and each year thereafter until all of such eligible obligations are fully paid; and monies coming into the credit of the County and Road District Highway Fund with the State Treasurer and all monies remaining therein from the previous year shall be received

and held by him as ex officio treasurer of such counties and defined road districts, and shall first be subject to the appropriation for the payment of interest, principal and sinking funds maturing from time to time on said eligible obligations and then for the other uses specified and permitted in this Act.

"(k). As payment of principal and/or interest becomes due upon such eligible obligations, the State Comptroller of Public Accounts shall issue his warrant to the State Treasurer for the payment thereof and the State Treasurer shall pay the same at his office in Austin, Texas, or by remitting to the bank or trust company or other place of payment designated in the particular obligation. Such warrants or voucher claims shall show on their face that the proceeds of the same are to be applied by the paying agent to the payment of certain specified obligations or interest therein described, by giving the name of the county or defined road district by which they were issued, numbers, amounts and dates of maturities of the obligations and interest to be paid with instructions to the State Treasurer, paying agent, bank or trust company to return to the State Comptroller of Public Accounts such obligations and interest coupons when same are paid, and the State Comptroller of Public Accounts shall, upon receipt of said obligations and coupons, credit same on his records and send them, duly cancelled, to the Commissioners Court of the appropriate county, which shall cause to be duly entered a record of such cancellation. In instances wherein counties or defined road districts therein shall have arranged with the Board to pay principal or interest thereon, of outstanding lateral road indebtedness, the Board, the State Comptroller of Public Accounts and the State Treasurer shall follow, in so far as practicable, the procedure prescribed in this subsection (k) for the payment of the principal and interest of eligible obligations.

"(l). Expenses necessary to be incurred in the determination of the indebtedness of the counties and defined road districts of the State, and in the discharge of the duties required for the payment of such ob-



ligations shall be paid from the County and road District Highway Fund by warrant approved by the Chief Accountant, the State Comptroller of Public Accounts and one other member of said Board. The compensation of all employees of said Board shall be fixed by the Legislature. All employees of said Board of County and District Road Indebtedness shall be bonded, the amount of such bond being set by the Board.

"(m). All of the securities now on hand in which sinking funds collected for the benefit of outstanding eligible issues are invested, and all funds and securities hereafter acquired for the benefit of the entire outstanding balance of all eligible bond issues shall be forwarded within thirty (30) days from the effective date of this Act, and thereafter within thirty (30) days of the acquisition of such fund or securities, to the State Treasurer as ex officio County Treasurer of the various counties and defined road districts: Provided that the cash now on hand in the sinking fund created for the benefit of outstanding eligible obligations may also be remitted, as above set forth, at the opinion of such county or defined road district. Any county, the Commissioners Court of which fails or refuses to comply with the provisions of this Act in all things, including the levy, assessment, and collection of a tax and at a rate sufficient to pay all sums due or to become due, which the State is unable to pay or to provide each year the proportionate amount of sinking fund required to redeem its outstanding bonds at their maturity shall not participate in any of the benefits of this Act so long as such county fails or refuses to comply with the provisions thereof. The Board of County and District Road Indebtedness shall have and possess full authority to invest all such sinking funds, including all future sinking funds acquired in any manner whatsoever, in any eligible obligations of the various political subdivisions of this State, which mature within the current biennium in which such securities are purchased, and where there is on hand a sufficient amount of monies or securities to the credit of any one political subdivision to retire some of its out-

standing obligations, whether then due or not, the Board of County and District Road Indebtedness may, if it deems it advisable, purchase and cancel said obligations of such particular political subdivision, irrespective of maturity dates. Provided further, that any county which has selected a depository according to law and in which county such depository has qualified by giving surety bonds or by the deposit of adequate securities of the kind provided by law, which in the opinion of the Board of County and District Road Indebtedness is ample to cover the county deposits, and which county has not defaulted in the payment of any installment of principal and/or interest on any county bonds for a period of five (5) years next preceding the date of the filing of its application for exemption, and in which county all sinking funds of all bond issues are in excess of the standard required by law and which county has levied for the current tax year adequate rates in support of outstanding bond issues and warrants as required by the Constitution and Statutes of said State, shall be exempt from the provisions of this subsection (m) of this Act, and which exemption shall be obtained by such county in the manner and under conditions prescribed by the said Board of County and District Road Indebtedness. Said Board shall have the right to inspect the records of such county at any subsequent date to ascertain whether or not the facts warrant the continuation of the exemption. If at any time, in the opinion of the Board, counties that have been granted exemption under the provisions of this Act shall cease to comply with all the conditions under which the exemption has been granted, the Board shall notify the county to return all securities in which the sinking funds of eligible road bond issues are invested and the residue in said sinking funds, and to begin immediately forwarding taxes levied and collected for the payment of interest and principal on all eligible road bond issues. Said counties whose exemption has been cancelled by said Board shall be given a period of thirty (30) days in which to comply with the demands of the Board. Provided further, that such county so exempt shall furnish

the Board an annual statement of the condition of the sinking funds of the several eligible road bond issues, together with a financial statement of the county depository. The Board shall have the right to withhold the payment of any maturity on any eligible road bond indebtedness where such county has failed or refused to comply with all the provisions of this Act.

"(n). The Board shall keep adequate minutes of its proceedings and semiannually, within thirty (30) days after February 28 and August 31, of each year, shall make itemized reports to each county with respect to the receipt, disbursement and investment of the funds credited to such county. The Commissioners Court of any county, and/or its accredited representatives, shall have the right to inspect the records of said Board and of the State Treasurer, at any reasonable time for the purpose of making any investigation or audit of the accounts affecting its county.

"(o). The Board shall, within ninety (90) days after the close of each fiscal year, make a complete accounting for the preceding year to the Governor of this State, showing in such report its acts, investments, changes in investments and sinking fund status of each county and each defined road district and shall file copies of such report with the President of the Senate and with the Speaker of the House of Representatives.

"(p). In the event this Act is repealed, or shall be or become inoperative as to any county or defined road district, then it shall be the duty of the Board to ascertain immediately the amount of monies and securities remaining on hand with it or with the State Treasurer belonging to the several counties or defined road districts affected, and forthwith to return the same to the County Treasurer of the County entitled thereto, accompanied by an itemized statement of the account of the county or defined road district.

"(q). All funds on hand belonging to, and hereafter credited to, the several counties and defined road districts of the State, shall be considered State funds, and as such shall be deposited at intervals in the de-

positories provided for by the State laws, and all interest earned on such funds and on the securities in which the sinking funds are invested shall belong to said counties or defined road districts, and shall be credited to them by the State Treasurer as earned and collected.

"(r). Upon notice from the Board of the amount that such county or defined road district shall be required to pay toward any installment of interest or maturing principal, the County Treasurer of such county shall, not later than twenty (20) days prior to the maturity date of such interest, principal, or sinking fund requirements, forward to the State Treasurer the amount fixed by the Board as being necessary to supplement the amounts previously placed to the credit of any such county or defined road district by said Board under the provisions of this Act.

"Sec. 7. All bonds heretofore issued by Navigation Districts of this State, which mature on or after January 1, 1933, and in so far as amounts of same were issued for and the proceeds thereof actually expended in the construction of bridges across any stream or streams or any other waterways upon any highway that constituted and comprised a part of the system of designated State Highways on September 17, 1932, shall hereafter be included within and eligible under the provisions of Chapter Thirteen of the Acts of the Forty-second Legislature of Texas, passed at its Third Called Session, as amended by the Acts of the Forty-third Legislature of Texas, Regular Session, to the extent that the proceeds of the sale of said bonds shall have been actually expended in the construction of such bridges; and in such cases the outstanding bonds of said Navigation Districts in an amount equal to the amount so expended by such navigation districts shall be redeemed under the same conditions as is provided by said Chapter Thirteen, Acts of the Forty-second Legislature of Texas, Third Called Session, as amended by the Acts of the Forty-third Legislature of Texas, Regular Session, for the redemption of County and Road District Bonds.

"It is expressly provided that the

Board of County and Road District Bond Indebtedness shall not be authorized to give the bonds herein referred to preference over other similar bonds eligible under said Bond Act; and it is further expressly provided that said Board in determining the amount of bonds eligible for assumption shall take into consideration the amount of the bond money expended for the construction of said bridge and the balance due on said amount of bonds used in the construction of said bridge at the effective date of this Act; and in no event shall said Board be authorized to assume in excess of the balance due on the bonds for the said bridge construction at the effective date of this Act.

"Sec. 8. No provision of this Act shall be construed to authorize the giving or lending of the credit of the State to any county or district or to pledge the credit of the State in any manner whatever for the payment of any of the outstanding road indebtedness herein referred to of the counties or districts of the State. It is hereby declared that all eligible indebtedness, as herein defined, shall remain indebtedness of the respective counties or defined road districts which issued it, and said counties or defined road districts shall remain liable on said indebtedness according to its terms and tenor; and it is not the purpose or intention of this Act, or any part hereof, to obligate the State of Texas directly or indirectly or contingently, for the payment of any such obligations or that the State of Texas should assume the payment of said obligations, and this Act is not to be construed as obligating the State of Texas to the holders of any of said obligations to make any payment of the same, or any part thereof, nor shall such holders have any rights to enforce the appropriation of any of the monies hereinabove provided for, nor shall any provision hereof constitute a contract on the part of the State to make money available to any county for the construction of additional lateral roads, but the provisions hereof are intended solely to compensate, repay and reimburse said counties and districts for the aid and assistance they have given to the State in furnishing, advancing

and contributing money for building and constructing State Highways and lateral roads, to provide for the use and application by said counties and districts of the monies which they may receive under the provisions of this Act, and under the circumstances prescribed in this Act to provide additional money to counties for the construction of additional lateral roads.

"Sec. 9. It shall be unlawful for any County Judge or any County Commissioner, while acting in his official capacity or otherwise, to use any money out of the Lateral Road Account for any purpose except the purposes enumerated in this Act. If any County Judge or any County Commissioner shall knowingly expend or use, or vote for the use or agree to expend or use any sum of money accruing to any county in this State from the Lateral Road Account, for any purpose not authorized by this Act or shall knowingly make any false statement concerning the expenditure of any such money, he shall be deemed guilty of a felony and upon conviction shall be punished by confinement in the State penitentiary for not less than two (2) nor more than five (5) years.

"Sec. 10. If succeeding Legislatures shall continue to carry out the policy herein defined by authorizing a similar appropriation of funds from time to time, (a) then whenever the eligible obligations shall have been fully paid as herein provided, as to, or for any county or defined road district according to the provisions of this Act, then and in that event, the title and possession of all roads, roadbeds, bridges and culverts in such county or defined road district which are included in the system of designated State Highways, shall automatically vest in fee simple in the State of Texas, and in the event of any subsequent physical change therein, such title and possession shall extend to any such change so made; and (b) whenever the interest and principal necessary to retire the outstanding indebtedness owed for lateral roads shall have been fully paid as herein provided, as to, or for any county or defined road district according to the provisions of this Act, then and in that event, the title of

all roads, roadbeds, bridges and culverts, in such county or defined road district pertaining to the lateral roads, constructed with the proceeds of such indebtedness, shall automatically vest in the State of Texas, but the possession thereof shall remain in such county or defined road district, and in the event of any subsequent physical change therein, such title and possession shall extend to any such change so made; provided that when the right of way, or any part thereof, pertaining either to a State Highway or a lateral road, has been abandoned because of the abandonment of such road for all public purposes, and such right of way, or any part thereof, was donated by the owner of the land for right of way purposes, then and in that event the title to said right of way shall vest in said owner, his heirs or assigns; provided, however, that nothing in this Act shall prevent the State Highway Commission from changing or abandoning any State Highway, and if the Commission shall change or abandon any State Highway in any county, the Commissioners Court of such county shall have the right to assume jurisdiction over such portion of such highway so abandoned by the State Highway Commission. Likewise, the title to additional lateral roads when constructed shall vest in the State of Texas. Provided, however, that this Act neither imposes the obligation on, nor confers the right in the State of Texas, to maintain and lay out any roads except those constituting a part of the designated State Highway System as hereinabove in this Act defined. The obligation to maintain or lay out all other roads, including lateral roads and additional lateral roads as defined in this Act, shall remain undisturbed in the several Commissioners Courts as agents of the State.

"Sec. 11. If any section, subsection, paragraph, sentence, clause, or provision of this Act shall, for any reason, be held invalid, such invalidity shall not affect any other portion of this Act or the application of such section, subsection, paragraph, sentence, clause, or provision to any other person or situation, but this Act shall be construed and en-

forced as if such invalid provisions had not been contained therein.

"Sec. 12. To supplement the regular biennial appropriation made in the departmental appropriation bill for the support and maintenance of the Board of County and District Road Indebtedness, and the Treasury Department, there is hereby appropriated out of the County and District Highway Fund not otherwise appropriated for the fiscal year ending August 31, 1942, the sum of Sixteen Thousand, Five Hundred Dollars (\$16,500) to be expended by said Board for additional employees and expenses as follows, to-wit:

Board of County and District Road Indebtedness.

Chief Auditor.....	\$ 3,000.00
Bond Clerk.....	1,800.00
Stenographer .....	1,350.00
Traveling Expense.....	5,050.00
Printing & Stationery.....	500.00

Total .....\$11,700.00

Treasury Department.

Chief Auditor.....	\$ 3,000.00
Bond Clerk.....	1,800.00

Total .....\$ 4,800.00

Grand Total .....\$16,500.00

And to supplement the regular appropriation for the year ending August 31, 1943, there is appropriated out of the County and District Highway Fund, not otherwise appropriated, the sum of Fourteen Thousand Dollars (\$14,000) to be expended by said Board as follows:

Board of County and District Road Indebtedness.

Chief Auditor.....	\$ 3,000.00
Bond Clerk.....	1,800.00
Stenographer .....	1,350.00
Traveling Expense.....	2,550.00
Printing & Stationery.....	500.00

Total .....\$ 9,200.00

Treasury Department.

Chief Auditor.....	\$ 3,000.00
Bond Clerk.....	1,800.00

Total .....\$ 4,800.00

Grand Total .....\$14,000.00

"Sec. 13. This Act shall be cu-

mulative of all other valid laws on the subject, but in the event of a conflict between any provision of this Act and any other Act, the provisions of this Act shall prevail."

Sec. 2. The fact that the present law governing the subject matter of this Act is inadequate creates an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in both Houses be suspended, and such Rule is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

LANSBERRY,  
McLELLAN,  
REED of Bowie.

Question first recurring on the substitute amendment by Mr. Lansberry, it was lost.

Question next recurring on the substitute amendment by Mr. Morris for the amendment by Mr. Chambers, yeas and nays were demanded.

The substitute amendment by Mr. Morris was adopted by the following vote:

## Yeas—89

Allen	Files
Allison	Fitzgerald
Avant	Fuchs
Bailey	Gandy
Baker	Goodman
Bean	Hanna
Benton	Hargis
Boone	Harris of Hill
Bray	Helpinstill
Bundy	Henderson
Burnaman	Hileman
Carlton	Hobbs
Cato	Howington
Celaya	Huddleston
Clark	Hughes
Cleveland	Hutchinson
Coker	Jones
Connelly	Kelly
Crossley	Kennedy
Crosthwait	Kersey
Daniel	King
Davis	Klingeman
Dickson of Nolan	Knight
Dove	Lansberry
Duckett	Lehman
Eubank	Lock
Evans	Love
Ferguson	Lucas

McAlister  
McCann  
McDonald  
McGlasson  
McLellan  
McNamara  
Manford  
Martin  
Matthews  
Moore  
Morgan  
Morris  
Murray  
Pace  
Pevehouse  
Rampy  
Reed of Bowie

Rhodes  
Roark  
Roberts  
Senterfitt  
Sharpe  
Simpson  
Spacek  
Stinson  
Stubbs  
Thornton  
Vale  
Voigt  
Walters  
Wattner  
Weatherford  
Whitesides

## Nays—53

Alsup	Humphrey
Anderson	Isaacks
Bell	Kinard
Blankenship	Little
Brawner	Lowry
Bridgers	Lyle
Brown	McMurry
Bullock	Markle
Burkett	Montgomery
Carrington	Morse
Chambers	Nicholson
Colson, Mrs.	Parker
Craig	Phillips
Deen	Price
Dickson of Bexar	Reed of Dallas
Donald	Ridgeway
Dwyer	Sallas
Ellis	Shell
Favors	Skiles
Gilmer	Smith of Bastrop
Halsey	Smith of Atascosa
Hardeman	Spangler
Harris of Dallas	Stanford
Hartzog	Taylor
Heflin	White
Hoyo	Winfree
Huffman	

## Absent

Bruhl	Howard
Garland	Leyendecker

## Absent—Excused

Manning	Turner
Mills	

Mr. Morris moved to reconsider the vote by which the substitute amendment was adopted, and to table the motion to reconsider.

The motion to table prevailed.

Question then recurring on the

amendment by Mr. Chambers, as substituted by the amendment by Mr. Morris, it was adopted.

Mr. Morse offered the following amendment to the bill, as amended:

Amend the bill, as amended, by adding the following in proper place:

"Regardless of the provisions of all other laws, or other sections of this Act, all bonds voted by a county or road district prior to January 1, 1941, insofar as amounts of same have been or may be issued and the proceeds actually expended in the construction of roads which are of military importance on the routes important to national defense as certified by the Secretary of War to the United States Public Roads Administration, shall be eligible to participate in the distribution of moneys coming into the County and Road District Highway Fund the same as provided for other bonds under the provisions of this Act and shall become eligible to participate in the distribution of moneys from said Fund as of the date of the award of the contract for such road construction, provided that the county or road district shall issue and expend the proceeds of such bonds on the construction of such military roads under plans and specifications and contracts approved by the State Highway Department."

MORSE,  
SMITH of Atascosa,  
SPANGLER,  
DWYER,  
BRUHL,  
CELAYA,  
BUNDY,  
VALE,  
CHAMBERS,  
LITTLE,  
HARTZOG,  
HARRIS of Dallas,  
BELL,  
LYLE,  
TAYLOR,  
SHELL,  
LOWRY,  
DICKSON of Bexar,  
HOYO,  
WHITE.

On motion of Mr. Morris, the amendment by Mr. Morse was tabled.

Mr. Smith of Atascosa offered the

following amendment to the bill, as amended:

Amend House Bill No. 238, as amended, on page 7 of the printed bill by inserting in line 30 between the words "as part of such system," and the words "shall be eligible to" the following words:

"or any such bonds voted prior to January 2, 1932, in so far as amounts of the same were actually expended in the construction of roads, which roads were conditionally designated as part of the designated System of State Highway prior to January 2, 1941."

On motion of Mr. Morris, the amendment by Mr. Smith of Atascosa was tabled.

Mr. Daniel offered the following amendment to the bill, as amended:

Amend House Bill No. 238, as amended, by adding the following to paragraph C, Section 6:

"It is expressly provided in this connection that where a county has cancelled bonds of a particular term issue, prior to their maturity date, and prior to January 1, 1933, out of the sinking funds accumulated for the retirement of such bonds, and where any of the proceeds of the bonds so cancelled were actually expended in the construction of roads that constituted and comprised a part of the System of designated State Highways as of January 1, 1933, shall participate as provided for other bonds under this Act, as of the effective date of this amendment, but in no case shall the participation authorized under this amendment exceed 100% of the amount outstanding of any particular issue as of the effective date of this Act."

The amendment was adopted.

Mr. Halsey offered the following amendment to the bill, as amended:

Amend House Bill No. 238, as amended, by eliminating the last paragraph of Section 6 (a) and inserting in lieu thereof the following:

"In addition to and regardless of the other provisions of this Act, all bonds voted by a county or defined road district prior to January 2,

1939, in so far as amounts of same were or may be issued and the proceeds actually expended in the construction of roads which are a part of the designated system of State Highways, shall be eligible to participate in the distribution of the moneys coming into said County and Road District Highway Fund the same as provided for other bonds under this Act and as of the date of the designation of said road as a part of the State System; and where such bonds were voted prior to the designation of the road as a State Highway, the county may issue and transfer the proceeds of such bonds to the State Highway Fund for expenditure by the State Highway Department for construction of such road by the State Highway Department, and when so expended, the bonds shall be eligible to participate in the County and Road District Highway Fund the same as if the bonds were issued and expended prior to January 2, 1939; provided, however, that bonds voted in Yoakum, Gaines, Terry, Andrews, Hockley, Hartley and Cochran Counties subsequent to January 2, 1939, and prior to January 2, 1941, shall be eligible to participate in the distribution of the moneys coming into said county and road district highway fund, the same as provided for other bonds under this Act where the proceeds of such bonds have been placed in escrow with the State Highway Department for construction of highways designated as a part of the State Highway System prior to January 1, 1939."

On motion of Mr. Morris, the amendment by Mr. Halsey was tabled.

Mr. Morse offered the following amendment to the bill, as amended:

Amend Kersey substitute to House Bill No. 238 by adding between lines 23 and 24 on page 7 the following:

"Regardless of the provisions of all other laws, or other sections of this Act, all bonds voted by a county or road district prior to January 1, 1941, insofar as amounts of same have been or may be issued and the proceeds actually expended in the construction of roads which are of primary military importance on the

routes important to national defense as certified by the Secretary of War to the United States Public Roads Administration, shall be eligible to participate in the distribution of moneys coming into the County and Road District Highway Fund the same as provided for other bonds under the provisions of this Act and shall become eligible to participate in the distribution of moneys from said fund as of the date of the award of the contract for such road construction, provided that the county or road district shall issue and expend the proceeds of such bonds on the construction of such military roads under plans and specifications and contracts approved by the State Highway Department. Provided that the total amount of such distribution under this allocation shall never exceed the sum of \$400,000.00 in any one year."

MORSE,  
SMITH of Atascosa,  
SPANGLER,  
DWYER,  
BRUHL,  
CELAYA,  
BUNDY,  
VALE,  
CHAMBERS,  
LITTLE,  
HARTZOG,  
HARRIS of Dallas,  
BELL,  
LYLE,  
TAYLOR,  
SHELL,  
LOWRY,  
DICKSON of Bexar,  
HOYO,  
WHITE.

On motion of Mr. Kersey, the amendment by Mr. Morse was tabled.

Mr. Bean offered the following amendment to the bill, as amended:

Amend House Bill No. 238, as amended by adding a new section to read as follows:

"All lateral roads that have been designated for more than five years and on which as much as \$25,000 has been spent for construction thereof are hereby designated as State Highways and shall be completed."

On motion of Mr. Kersey, the amendment by Mr. Bean was tabled.

By unanimous consent of the House, the caption of the bill was ordered amended to conform to all changes and with the body of the bill.

House Bill No. 238 was then passed to engrossment.

### HOUSE BILL NO. 238 ON THIRD READING

Mr. Morse moved that the Constitutional Rule requiring bills to be read on three several days be suspended, and that House Bill No. 238 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—124

Allen	Eubank
Allison	Evans
Alsup	Ferguson
Anderson	Files
Avant	Fitzgerald
Bailey	Fuchs
Baker	Gandy
Bean	Garland
Bell	Hanna
Benton	Hargis
Blankenship	Harris of Dallas
Boone	Harris of Hill
Bray	Hartzog
Bridgers	Heflin
Bruhl	Helpinstill
Bullock	Henderson
Bundy	Hileman
Burkett	Hobbs
Burnaman	Howington
Carlton	Huddleston
Carrington	Huffman
Cato	Hughes
Celaya	Humphrey
Chambers	Hutchinson
Clark	Isaacks
Cleveland	Jones
Coker	Kelly
Connelly	Kennedy
Crossley	Kersey
Crothwait	King
Daniel	Klingeman
Davis	Knight
Deen	Lansberry
Dickson of Bexar	Lehman
Dickson of Nolan	Little
Donald	Lock
Dove	Love
Duckett	Lowry
Dwyer	Lucas
Ellis	McCann

McDonald  
McGlasson  
McLellan  
McMurry  
McNamara  
Manford  
Markle  
Martin  
Matthews  
Montgomery  
Moore  
Morgan  
Morris  
Morse  
Murray  
Pace  
Pevehouse  
Price  
Rampy  
Reed of Bowie  
Reed of Dallas  
Ridgeway

Rhodes  
Roark  
Roberts  
Sallas  
Senterfitt  
Sharpe  
Simpson  
Smith of Bastrop  
Smith of Atascosa  
Spacek  
Spangler  
Stanford  
Stinson  
Stubbs  
Taylor  
Vale  
Voigt  
Walters  
Wattner  
Weatherford  
White  
Winfree

Nays—13

Brawner	Hardeman
Brown	Kinard
Colson, Mrs.	Lyle
Craig	Nicholson
Favors	Skiles
Gilmer	Thornton
Halsey	

Absent

Goodman	Parker
Howard	Phillips
Hoyo	Shell
Leyendecker	Whitesides
McAlister	

Absent—Excused

Manning	Turner
Mills	

The Speaker then laid House Bill No. 238 before the House on third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—125

Allen	Bray
Allison	Bridgers
Alsup	Bruhl
Anderson	Bullock
Avant	Bundy
Bailey	Burnaman
Baker	Burkett
Bean	Carlton
Bell	Carrington
Benton	Cato
Boone	Celaya



Chambers	Little
Clark	Lock
Cleveland	Love
Coker	Lucas
Connelly	McAlister
Crossley	McCann
Crosthwait	McDonald
Daniel	McGlasson
Davis	McLellan
Deen	McMurry
Dickson of Bexar	McNamara
Dickson of Nolan	Manford
Donald	Martin
Dove	Matthews
Duckett	Montgomery
Dwyer	Moore
Ellis	Morgan
Eubank	Morris
Evans	Morse
Ferguson	Murray
Files	Pace
Fitzgerald	Pevehouse
Fuchs	Phillips
Gandy	Price
Garland	Rampy
Goodman	Reed of Bowie
Hanna	Reed of Dallas
Hargis	Ridgeway
Harris of Dallas	Rhodes
Harris of Hill	Roark
Helpinstill	Roberts
Henderson	Sallas
Hileman	Senterfitt
Hobbs	Sharpe
Howard	Simpson
Howington	Skiles
Hoyo	Smith of Bastrop
Huddleston	Smith of Atascosa
Huffman	Spacek
Hughes	Stanford
Humphrey	Stinson
Hutchinson	Stubbs
Isaacks	Thornton
Jones	Vale
Kelly	Voigt
Kennedy	Walters
Kersey	Wattner
King	Weatherford
Klingeman	White
Knight	Whitesides
Lansberry	Winfree
Lehman	

## Nays—15

Brawner	Kinard
Brown	Lowry
Colson, Mrs.	Lyle
Craig	Markle
Favors	Nicholson
Gilmer	Spangler
Halsey	Taylor
Hardeman	

## Absent

Blankenship	Leyendecker
Hartzog	Parker
Heflin	Shell

## Absent—Excused

Manning	Turner
Mills	

Mr. Kersey moved to reconsider the vote by which the bill was passed and to table the motion to reconsider.

The motion to table prevailed.

RELATIVE TO HOUSE JOINT  
RESOLUTION NO. 24

On motion of Mr. Heflin and by unanimous consent of the House, the caption of House Joint Resolution No. 24 was ordered amended to conform to all changes and with the body of the resolution.

RELATIVE TO HOUSE JOINT  
RESOLUTION NO. 17

On motion of Mr. Dove and by unanimous consent of the House, the following amendments were adopted to House Joint Resolution No. 17:

Amend House Joint Resolution No. 17 by striking out the last sentence in Section 3 and adding a new section to read as follows:

"Sec. 4. The sum of Five Thousand Dollars (\$5,000), or so much thereof as may be necessary, is hereby appropriated out of any funds in the Treasury of the State, not otherwise appropriated, to pay the expenses of such publication and election."

Amend the caption of House Joint Resolution No. 17 to conform to the body of the Resolution.

HOUSE BILL NO. 136 ON PASSAGE  
TO ENGROSSMENT

Mr. Hutchinson moved to take up for consideration at this time, House Bill No. 136.

The bill having heretofore been laid on the table subject to call, and notice having been given that a motion would be made to call the bill up today.

Mr. Phillips moved to table the motion by Mr. Hutchinson.

The motion to table was lost.

Question then recurring on the motion by Mr. Hutchinson, that House Bill No. 136 be called from the table, it prevailed.

The Speaker then laid before the House, on its passage to engrossment,

H. B. No. 136, A bill to be entitled "An Act to promote, encourage, increase, and stimulate the use and sale of rice; to promote the prosperity and welfare of rice growers and producers in the State of Texas through the conducting of a publicity, sales promotion and development campaign; to conduct research in and develop new uses for rice and rice products; to levy and impose a tax or assessment on rice milled in the State of Texas, and to provide for the collection thereof to create a rice development fund; to create a rice development commission to administer and to control the rice development campaign, and to provide the powers, duties and authority and to define the terms of office of said commission; to provide when and how said levy or tax shall be paid and collected; to provide penalties for the violation of this Act; to provide for cooperation and joint action in said development campaign with officers, boards, commissions, departments or other authorities created or which may be created in the States of Louisiana and Arkansas upon which similar powers, duties and purposes have been or may be conferred; to repeal all laws or parts of laws in conflict herewith; fixing the effective date of the Act; and declaring an emergency."

The bill having heretofore been read second time.

Mr. Hutchinson offered the following amendment to the bill:

Amend House Bill No. 136 by striking out all below the enacting clause and substituting the following:

#### Legislative Intent

Section 1. That economic waste and loss of property and natural resources of the State of Texas are

being suffered in the rice industry of the State of Texas by lack of proper research for additional uses of rice and the by-products of rice and by lack of proper dissemination of information and proper advertising necessary for the prevention of waste, finding new uses and the development and promotion of the sale of rice grown in the State of Texas; that such unnecessary and unreasonable waste and loss of property and value of property is creating a chaotic condition in the rice industry of the State of Texas which will increase in severity and is now of such nature to imperil the ability of the producers and millers of rice to contribute in appropriate amounts to the support of the ordinary governmental and educational functions, thus tending to increase and actually increasing the tax burdens of other citizens for the same purposes; that in the interest of the public welfare and general prosperity of the State of Texas this unnecessary and avoidable loss can and should be eliminated, and this Act shall have as its purpose the actual elimination of such waste and the conservation of the natural resources and the promotion of the public welfare by acquainting the general public with the health-giving qualities and the food and dietetic value of rice grown in the State of Texas, and finding new uses for the product and for the hulls and straw which are now being destroyed and wasted in enormous quantities each year.

That because the rice grown in Texas comprises one of the major agricultural crops of the State and the business of expanding and increasing the markets and consumption of rice is of public interest and would redound greatly to the general welfare of the State and all of its citizens, and because this Act is designed to promote the general welfare of the State of Texas, and will promote the general welfare of the State, this Act is passed.

#### Texas Rice Development Law—Short Title

Sec. 2. That this shall be known and cited as the "Texas Rice Development Law," which shall be added as Chapter 12, Article 165-5 to Title

4 of the Revised Civil Statutes of Texas.

Sec. 3. That there is hereby created a Rice Development Commission for the State of Texas, which shall be composed of five (5) persons, not less than three (3) of whom shall be rice growers and two (2) of whom may be rice millers, to be appointed for two (2) year terms by the Governor of this State, with the advice and consent of the Senate. In appointing the Commission, consideration shall be given to recommendations of persons engaged in the rice industry, and no person shall be appointed to membership on the Commission who is not directly interested in either the growing or milling of rice.

#### Definition of Terms

Sec. 4. That the terms used in this Act shall be defined as follows:

The term "milled rice" means rice which has been hulled and from which the germ and all or a part of the bran has been removed, and may be either whole or broken, coated or uncoated. The term will also include "brown rice" which means rice that has been hulled and from which the germ and bran have not been removed.

The term "grower" or "rice grower" shall mean and include only those who are actually engaged in growing and producing rice for themselves and who shall not be engaged either directly or indirectly or have any connection with the milling of rice, except as members of a grower cooperative association; and this shall not include anyone who is merely hired or engaged in the growing of rice for other persons.

The term "rice miller" shall mean and include all persons, firms, and corporations who shall process or mill rice within the State of Texas. In any elections held under this Act only the actual individual owner or owners of a mill shall be entitled to vote, and in the case of a corporation, one vote may be cast by the president or other duly authorized agent.

#### Creation, Collection, and Use of Fund

Sec. 5. That there is hereby lev-

ied a processing tax of two (2¢) cents per hundred pounds on all milled rice which is milled or processed in the State of Texas which may be produced from rice grown in the State of Texas by the process of hulling the rice and removing the germ and bran, or any other process which may hull, clean, or mill rice, whether whole or broken, coated or uncoated, so as to render the product into the condition of "milled rice" as that term is defined herein. This Act shall also include and such tax shall be paid on all rice grown outside the State of Texas which may be processed or milled by a Texas rice miller, as that term is defined herein; provided further that this tax is and shall be on the act of milling the rice, and in no manner is it or shall it be construed as an occupation tax.

Sec. 6. That said tax shall be paid by all rice millers in the State of Texas for all rice milled in the State of Texas and shall be payable within the first ten days of each month for all rice milled during the preceding calendar month, which tax shall be remitted direct to the Rice Development Commission hereby created. Any rice miller failing to pay said tax within the time specified and as herein required shall pay a penalty of ten per cent of the amount due, plus one per cent per month for each and every month in which said tax is not paid.

Sec. 7. That the Texas Rice Development Commission hereby created shall have authority to check and examine the books and records of all rice millers at all reasonable times during business hours and take copies of the same, in order that it may collect the full amount of the tax hereunder, and shall have power to file any suit or suits or take any other actions necessary to force collection or payment of the same. The said Commission is authorized to make such regulations as may be necessary to carry out the powers vested in it by this Act. Any person required to keep any records or supply any information for the purposes of the computation of the amounts due under this Act, who wilfully fails to keep such records or supply such information shall be guilty of a misdemeanor and upon

conviction thereof be fined not more than Five Hundred (\$500.00) Dollars, together with the costs of prosecution, and each failure shall constitute a separate offense.

Sec. 8. That the Texas Rice Development Commission hereby created shall have full authority to spend said funds so collected in the administration of this Act, in the promotion of sales and advertising of Texas rice and rice products, and for research in and development of new uses for rice and rice products, and may cooperate and act jointly with commissions, boards, departments or other authorities having similar powers and purposes, created or which may be created by statutes of the States of Louisiana and Arkansas, and said money may be expended in a joint effort by the three State Commissions, boards, departments or authorities. Accurate books and records shall be maintained at all times, reflecting the operations of the Commission, and such books and records shall be available for public audit and inspection.

Sec. 9. That said Commission shall serve without pay except the members thereof shall receive Ten (\$10.00) Dollars per day for every day actually expended in connection with their duties, as provided for and authorized by this Act, plus actual expenses incurred by them in connection with such duties. However, the total amount of administration expenses shall at no time exceed the sum of fifteen (15%) per cent of the total taxes collected for any one year.

#### Organization and Authority

Sec. 10. That the said Commission shall elect from among its members a chairman, a vice chairman, a secretary, and a treasurer; any two of which offices, except that of chairman, may be held by one person. The Commission shall have authority to select a manager and all other persons necessary to carry out and administer this Act, in connection with the Louisiana and Arkansas Commissions, either separately or departments or other authorities, which manager and other persons shall receive such salary or compensation as the Commission may fix, plus such expenses as they may ac-

tually incur, out of funds collected in the administration of this Act.

Sec. 11. That the said Commission shall have authority to prescribe forms upon which rice millers shall be required to make monthly returns of the rice milled and sold by them, and the manner in which such returns shall be made.

Sec. 12. That this Act shall become effective on the first day of August after the Legislature of Louisiana and Arkansas shall have adopted a similar statute, assessing a tax of not less than two (2¢) cents per hundred pounds of milled rice which may be milled in said States, and creating similar Commissions, Boards, Departments, or other authorities with similar powers and purposes. The provisions of this section and of Section 4 and Section 7, or any other section or part of this Act in which the validity of such Act depends upon, or is connected with similar action by the Legislature of Louisiana and Arkansas, shall be satisfied by the creation and vesting of such authority in any State Officer, Board, Commission, Department, or other authority in the States of Louisiana and Arkansas, providing the same powers are delegated to such Officer, Board, Commission, Department or other Authority, and providing that a tax is levied of not less than the amount levied herein for such purposes.

Sec. 13. That the creation of a Rice Development Commission for the State of Louisiana, levying the same tax as herein levied in this State, for the same powers and purposes, and vesting the authority of the Rice Development Commission for Louisiana, under Act No. 112 of the 1940 Legislature, in the Department and Director of the Department of Agriculture, the Department and Director of the Department of Finance and the Department and Director of the Department of Revenue for the State of Louisiana created by Act No. 47 and Act No. 48 of the 1940 Legislature, is within the terms of this Act, so that this Act shall become effective on the first day of August after the Legislature of Arkansas shall have adopted a statute similar in purpose to this Act, or to Act No. 112 of the 1940 Legis-

lature of the State of Louisiana and levied a tax of not less than two (2¢) cents per hundred (100) pounds of milled rice for similar purposes.

Sec. 14. That if any word, phrase, sentence, paragraph or portion of this Act shall be unconstitutional, it shall not affect the validity of the remaining portions of this Act, but the same shall be construed to be effective as though the unconstitutional word, phrase, sentence, paragraph or portion thereof was eliminated.

Sec. 15. This Act shall expire in two years after the date it goes into effect, but the Rice Development Commission shall continue to operate its program so long as any funds remain on hand, after which it shall be dissolved by order of the Commission and all records deposited with the Department of Agriculture.

Sec. 16. The fact that great economic waste and loss of property and property values is being sustained by the rice industry of Texas, which is one of the State's largest farm crops, by lack of proper research for new uses and prevention of waste through lack of proper advertising and dissemination of public information necessary for the development and promotion of the sale of rice grown in Texas, and to prevent waste in the industry; and because of loss of foreign markets because of world conditions; the ability of the Texas rice grower and miller to contribute appropriate amounts to the support of the ordinary governmental and educational functions of the State is imperiled, and the burden of the other citizens of Texas will be thereby increased; and because public necessity and the public welfare of Texas demands that this important industry be protected from waste and great losses, so as to help the State and entire citizenship, creates an emergency and imperative public necessity that the Constitutional Rule requiring bills to be read on three separate days be, and the same is, hereby suspended, and this Act shall take effect and shall be in force on the dates provided for herein after the date of its enactment, and it is so enacted.

Mr. Phillips moved that House Bill No. 136 be recommitted to the Committee on Agriculture.

On motion of Mr. Hutchinson, the motion by Mr. Phillips was tabled.

Mr. Phillips called for a full reading of the amendment by Mr. Hutchinson.

On motion of Mr. Lucas, the reading of the amendment was dispensed with.

Mr. Phillips offered the following amendment to the amendment:

Amendment to House Bill No. 136 by adding a new section to be numbered:

"That no county shall be forced to participate in this program except by a local option election by popular vote of the actual bona fide rice farmers in each separate county, giving each separate county the right to participate in the tax program or stay out, according to the majority rule expressed by popular vote of the bona fide rice farmers in each separate county, such elections to be called at any time in any individual county upon the request of 20% of the bona fide rice farmers in each county desiring such popular election.

(Pending consideration of the amendment, Mr. Howard occupied the Chair temporarily.)

(Mr. Kersey in the Chair.)

Mr. Bell moved that the House adjourn until 10:00 o'clock a. m. tomorrow.

The motion to adjourn was lost.

Mr. Celaya moved that the House adjourn until 10:00 o'clock a. m. tomorrow.

Question recurring on the motion to adjourn, yeas and nays were demanded.

The motion to adjourn was lost by the following vote:

Yeas—64

Allen  
Alsup  
Bailey

Baker  
Bell  
Benton

Blankenship	King
Boone	Klingeman
Brawner	Lansberry
Carlton	Love
Celaya	McDonald
Cleveland	McGlasson
Coker	McNamara
Crossley	Markle
Crothwait	Martin
Dwyer	Moore
Ellis	Morgan
Ferguson	Morris
Fitzgerald	Murray
Garland	Pace
Gilmer	Phillips
Hardeman	Rampy
Harris of Dallas	Reed of Dallas
Harris of Hill	Rhodes
Hartzog	Roberts
Heflin	Shell
Henderson	Skiles
Hileman	Smith of Bastrop
Hobbs	Spangler
Howard	Stanford
Howington	Stinson
Humphrey	Taylor
Jones	Voigt
Kelly	Wattner
Kennedy	Weatherford

## Nays—69

Allison	Hanna
Anderson	Hargis
Avant	Helpinstill
Bray	Hoyo
Bridgers	Huddleston
Brown	Huffman
Bruhl	Hutchinson
Bullock	Isaacks
Bundy	Kinard
Burkett	Lehman
Burnaman	Lock
Carrington	Lowry
Cato	Lucas
Clark	McAlister
Colson, Mrs.	McCann
Connelly	McLellan
Daniel	McMurry
Davis	Manford
Deen	Matthews
Dickson of Bexar	Montgomery
Dickson of Nolan	Nicholson
Donald	Parker
Dove	Pevehouse
Duckett	Price
Evans	Reed of Bowie
Favors	Ridgeway
Files	Sallas
Fuchs	Senterfitt
Goodman	Sharpe
Halsey	Simpson

Smith of Atascosa	Walters
Spacek	White
Stubbs	Whitesides
Thornton	Winfree
Vale	

## Absent

Bean	Knight
Chambers	Leyendecker
Craig	Lyle
Eubank	Morse
Gandy	Roark
Hughes	

## Absent—Excused

Little	Mills
Manning	Turner

Mr. Lansberry and others submitted the following point of order:

Mr. Speaker: We respectfully raise the following point of order against House Bill No. 136:

1. H. B. No. 136 violates Article 8, Section 3, of the Constitution.
2. H. B. No. 136 violates Article 8, Section 6, of the Constitution.
3. H. B. No. 136 violates Article 8, Section 1, of the Constitution.
4. H. B. No. 136 violates Article 8, Section 19, of the Constitution.

LANSBERRY,  
HARDEMAN,  
HEFLIN.

Question: Shall the point of order be sustained?

## MESSAGE FROM THE SENATE

Austin, Texas, April 1, 1941.

Hon. Homer Leonard, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 402, A bill to be entitled "An Act making appropriations for the support, maintenance and improvement of the Eleemosynary and Reformatory Institutions of the State of Texas for the two-year period beginning September 1, 1941, and ending August 31, 1943; and prescribing certain regulations and restrictions in respect to the expendi-

ture of said appropriations; and declaring an emergency."

Respectfully,

BOB BARKER,

Secretary of the Senate.

#### SENATE BILL ON FIRST READING

The following Senate Bill received from the Senate today was laid before the House, read first time, and referred to the appropriate committee, as follows:

S. B. No. 402, to the Committee on Appropriations.

#### HOUSE BILLS ON FIRST READING

The following House Bills, introduced today, were laid before the House, read severally first time, and referred to the appropriate committees, as follows:

By Mr. Senterfitt:

H. B. No. 847, A bill to be entitled "An Act authorizing the county board of trustees in counties having a population of not less than Nine Thousand and Seventy (9,070) nor more than Nine Thousand, Two Hundred (9,200), as shown by the Federal Census of 1940, to set aside a certain amount of the Available School Fund apportioned to such counties to defray certain expenses in the administration of the scholastic affairs of such counties; repealing all laws and parts of laws in conflict herewith; and declaring an emergency."

Referred to the Committee on Counties.

By Mr. Duckett:

H. B. No. 850, A bill to be entitled "An Act authorizing the Commissioners Court in Wharton County to allow each County Commissioner certain expenses in connection with the performance of the duties as Road Commissioner in addition to the duties as County Commissioner; providing for the payment of the same; and declaring an emergency."

Referred to the Committee on Counties.

Mr. Reed of Dallas, asked unanimous consent to introduce at this

time and have placed on first reading House Bill No. 848.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Reed of Dallas:

H. B. No. 848, A bill to be entitled, "An Act making appropriations to pay deficiency appropriations granted by the Governor prior to January 14, 1941, and for which no appropriations have heretofore been made, and declaring an emergency."

Referred to the Committee on Appropriations.

Mr. Lock asked unanimous consent to introduce at this time and have placed on first reading House Bill No. 849.

There was no objection.

The Speaker then laid the bill before the House, it was read first time and referred to the appropriate committee, as follows:

By Mr. Lock:

H. B. No. 849, A bill to be entitled, "An Act making it unlawful for employees to strike unless and until fifty-one percent of all affected employees shall approve such strike at an election held for the purpose; making it the duty of the Commissioner of Labor to supervise such election and defining his duties with respect thereto; making it unlawful for any person other than an affected employee to picket; making offenses hereunder a felony and prescribing penalties for violations and declaring an emergency."

Referred to the Committee on Labor.

#### ADJOURNMENT

Mr. Bell moved that the House adjourn until 10:00 o'clock a. m. tomorrow.

Question recurring on the motion to adjourn, yeas and nays were demanded.

The motion to adjourn prevailed by the following vote:

## Yeas—66

Allen	Kelly
Allison	Kennedy
Alsup	King
Avant	Klingeman
Bailey	Knight
Baker	Lehman
Bean	Love
Bell	Lowry
Blankenship	Lyle
Brawner	McDonald
Carlton	McGlasson
Celaya	Markle
Cleveland	Martin
Crossley	Moore
Crothwait	Morgan
Davis	Morris
Ellis	Pace
Ferguson	Phillips
Fitzgerald	Price
Gilmer	Rampy
Hardeman	Reed of Dallas
Hargis	Rhodes
Harris of Dallas	Roberts
Harris of Hill	Shell
Hartzog	Skiles
Heflin	Smith of Bastrop
Hileman	Stanford
Hobbs	Stinson
Howard	Taylor
Howington	Vale
Hughes	Voigt
Humphrey	Wattner
Jones	Weatherford

## Nays—60

Anderson	Favors
Benton	Fuchs
Boone	Halsey
Bray	Hanna
Bridgers	Helpinstill
Brown	Hoyo
Bullock	Huddleston
Bundy	Huffman
Burkett	Hutchinson
Burnaman	Isaacks
Carrington	Kinard
Cato	Lansberry
Clark	Lock
Coker	Lucas
Connelly	McAlister
Craig	McCann
Daniel	McLellan
Dickson of Bexar	McMurry
Dickson of Nolan	McNamara
Donald	Matthews
Dove	Montgomery
Duckett	Murray
Dwyer	Parker
Eubank	Pevehouse
Evans	Reed of Bowie

Ridgeway	Spacek
Sallas	Stubbs
Senterfitt	Thornton
Simpson	White
Smith of Atascosa	Winfree

## Absent

Bruhl	Leyendecker
Chambers	Manford
Colson, Mrs.	Morse
Deen	Nicholson
Files	Roark
Gandy	Sharpe
Garland	Spangler
Goodman	Walters
Henderson	Whitesides

## Absent—Excused

Little	Mills
Manning	Turner

The House accordingly, at 5:20 o'clock p. m., adjourned until 10:00 o'clock a. m. tomorrow.

## APPENDIX

## STANDING COMMITTEE REPORTS

The following Committees have filed favorable reports on bills and resolutions, as follows:

Counties: H. B. Nos. 553, 823, and 833.

Agriculture: H. B. No. 670.

Judiciary and Uniform State Laws: H. B. Nos. 193, 353, 358, and 603.

State Affairs: H. B. No's. 113, 606, 630, 680, 681, 686, 752, and 825.

Game and Fisheries: H. B. No. 826.

Constitutional Amendments: H. J. R. Nos. 1 and 3.

Conservation and Reclamation: H. B. No. 828.

## REPORT OF THE COMMITTEE ON ENGROSSED BILLS

Austin, Texas, March 31, 1941.

Hon. Homer L. Leonard, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills, to whom was referred



H. B. No. 44, A bill to be entitled "An Act to amend Articles 195 and 196, Revised Civil Statutes of 1925, State of Texas, fixing the time of taking effect of this Act, and declaring an emergency."

Has carefully compared same and finds it correctly engrossed.

BRIDGERS, Chairman.

#### REPORTS OF THE COMMITTEE ON ENROLLED BILLS

Austin, Texas, March 31, 1941.

Hon. Homer L. Leonard, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 77, "An Act to amend Section 8 of Chapter 282, Acts of the Regular Session, Forty-second Legislature, 1931; providing a saving clause; repealing all laws and parts of laws in conflict; and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HOWINGTON, Chairman.

Austin, Texas, March 31, 1941.

Hon. Homer L. Leonard, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 154, "An Act to amend Section 24, Chapter 241, House Bill No. 755, Acts of the Regular Session of the Forty-fourth Legislature, by adding a new paragraph to said Section 24, to be known as Subsection (c), directing the Treasurer to promulgate rules and regulations providing for the exchange or replacement of new stamps for any stamps affixed to any package of cigarettes under certain circumstances; and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HOWINGTON, Chairman.

Austin, Texas, March 31, 1941.

Hon. Homer L. Leonard, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 211, "An Act amending Sections 3 and 7 of Article 6008 of

the Revised Civil Statutes of Texas, 1925, as amended by Chapter 120, Acts of the Forty-fourth Legislature, Regular Session, providing for the use of sweet and other natural gas under certain conditions for the manufacture of carbon black; providing a saving clause; repealing all laws in conflict; making the Act cumulative of existing laws; and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HOWINGTON, Chairman.

Austin, Texas, March 31, 1941.

Hon. Homer L. Leonard, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 227, "An Act authorizing the County Board of Trustees in counties having a population of not less than five thousand, nine hundred and fifty (5,950) nor more than six thousand and fifty (6,050), as shown by the Federal Census of 1940, to set aside a certain amount of the Available School Fund apportioned to such counties to defray certain expenses in the administration of the scholastic affairs of such counties; repealing all laws and parts of laws in conflict herewith; and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HOWINGTON, Chairman.

Austin, Texas, March 31, 1941.

Hon. Homer L. Leonard, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 389, "An Act amending Article 5954 of the Revised Civil Statutes of Texas of 1925 relative to authority of Notaries Public and requiring them to print or stamp their names under their signatures when signed in their official capacity, providing that failure to so print or stamp their names under their signatures shall not invalidate such acknowledgment; and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HOWINGTON, Chairman.

Austin, Texas, March 31, 1941.

Hon. Homer L. Leonard, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 424, "An Act to permit any county containing a population of not less than seven thousand, five hundred (7,500) nor more than seven thousand, five hundred and ninety (7,590) according to the last preceding Federal Census, to adopt by a majority vote of qualified voters of such county a county unit system to the extent provided in this Act; making provisions for the formation of a county-wide school district therein; making provision for holding election in each such county on the question of the adoption of the provisions of this Act; making provision for holding election in each such county to determine whether an equalization tax not to exceed twenty (20) cents on the one hundred dollars valuation of property shall be levied and collected annually on all taxable property in the county, such tax to be distributed to the school districts of the county as herein provided; making provision for the assessment and collection of said equalization tax, and prescribing the duties of the County Tax Assessor and Collector and County Superintendent; prescribing the duties of the County Board of School Trustees with respect to such tax and the funds derived therefrom; providing for the making of bond by the Tax Collector; providing that all rights, duties and powers of the several common and independent school districts in any such county shall remain undisturbed and shall not be affected, except as expressly provided in this Act; providing a saving clause; repealing all laws in conflict herewith; and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HOWINGTON, Chairman.

SENT TO THE GOVERNOR

April 1, 1941

House Bill No. 368.

House Bill No. 471.

House Bill No. 424.

House Bill No. 389.

House Bill No. 154.

House Bill No. 211.

House Bill No. 227.

House Bill No. 77.

#### FORTY-SEVENTH DAY

(Wednesday, April 2, 1941)

The House met at 10:00 o'clock a. m., pursuant to adjournment, and was called to order by Speaker Leonard.

The roll of the House was called, and the following Members were present:

Mr. Speaker	Dove
Allen	Duckett
Allison	Dwyer
Alsup	Ellis
Anderson	Eubank
Avant	Evans
Bailey	Favors
Baker	Ferguson
Bean	Files
Bell	Fitzgerald
Benton	Fuchs
Blankenship	Gandy
Boone	Garland
Brawner	Gilmer
Bray	Goodman
Bridgers	Halsey
Brown	Hanna
Bruhl	Hardeman
Bullock	Hargis
Bundy	Harris of Dallas
Burkett	Harris of Hill
Burnaman	Hartzog
Carlton	Heflin
Carrington	Helpinstill
Cato	Henderson
Celaya	Hileman
Chambers	Hobbs
Clark	Howard
Cleveland	Howington
Coker	Hoyo
Colson, Mrs.	Huddleston
Connelly	Huffman
Craig	Hughes
Crossley	Humphrey
Crothwait	Hutchinson
Daniel	Isaacks
Davis	Jones
Deen	Kelly
Dickson of Bexar	Kennedy
Dickson of Nolan	Kersey
Donald	Kinard